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**Building the Means of Trade and Forging a Center of Commerce in
Beirut (1834-1936)**

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**Building the Means of Trade and Forging a Center of Commerce in
Beirut (1834-1936)**

by

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Abstract

Building the Means of Trade and Forging a Center of Commerce in Beirut (1834-1936)

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The University of Texas at Austin, 2012

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This thesis seeks to reassess the rise of the city of Beirut and its place as a central city in the Levant. From 1834-1939, Beirut built a number of infrastructure improvements which reoriented trade through Beirut and made it a central gateway of between Europe and the Middle East. In the Ottoman Era, local merchants allied with French concessionary companies to build a roadway, a rail line and a port which brought increased prosperity and trade to the city. The merchants had to petition the Ottoman state to secure these improvements, and the business elite continued using and developing these tactics of negotiation under the French Mandatory government. By negotiating and allying with the French state, Beirut instigated the development of a modern port and an air terminal in Beirut, securing her commercial centrality in the Middle East. The development of this infrastructure was powered by moments of economic competition from regional cities like Sidon, and most notably, Haifa. Beirutis saw any transportation development in a Levantine city not their own as a direct threat to the prosperity and commerce of Beirut. To counter these threats, Beirut merchants and press organized to build competing structures as seen in the construction of the 1938 port. Through a

combination of local agency, French capital, and alliances and negotiations with the state, Beirutis successfully developed the infrastructure which redirected the trade routes through Beirut, making it an indispensable gateway to the Levant.

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Introduction

On Tuesday, 31 October 1933, the port of Haifa completed an extensive expansion of their port facilities under the auspices of the British Mandate of Palestine.¹ During the opening ceremony the British government unveiled a new harbor that impressed dignitaries, merchants and investors alike with its modern facilities and capacity to handle large ocean liners. Arab, Jewish and British officials and businessmen, foreign dignitaries, and four representatives from the French High Commissioner's office in Beirut were present at the grand opening ceremonies.² The occasion was a triumph for the British High Commissioner, demonstrating the technological superiority and massive capacity of their modern port. Throughout the speeches that day, the French dignitaries sat, dejected, aware that they would soon have to report back to Beirut and confirm that Haifa's new harbor outstripped Beirut's old port in every way.

Since the mid-nineteenth century, the port of Beirut had been growing into the central port of the Levant.³ Today, Beirut is the capital of the modern state of Lebanon and the port is the largest in Lebanon. But the rise of Beirut's port had never been assured or inevitable; from 1832 on, ensuring the city's development was a consistent site of struggle between business interests in the growing city and the state. This thesis seeks to reassess the rise of the city of Beirut, and its centrality in the Levant. The rise was not

¹ Official Program for the Ceremony of the Opening of Haifa Harbour, 31 October 1933, Mandate Syrie-Liban, Box 708, 1er versement, Archives du Ministère des Affaires Étrangères, Nantes, France [hereafter MAE-Nantes].

² M. Grapin, Consul de France à Caiffa à Les Minister des Affaires Etrangères, 30 November 1933, Mandate Syrie-Liban, Box 708, 1er versement, MAE-Nantes.

³ The "Levant" refers to the area called "Bilad al-Sham" in Arabic: Syria, Lebanon, Jordan and Palestine.

produced through Beirut culture, or through the city's internal commercial growth; Beirut became the central gateway to the Levant by successfully creating and hooking into networks of transportation in the Middle East, and positioning itself as a central hub for commerce and trade. In order to become the commercial capital of the Levant, Beirut needed to develop the infrastructure for commerce and trade that would give it the capacity to participate in European and Middle Eastern trade routes that extended from the factories of Manchester to the cities of Persia, becoming a hinge between the east and the west. Lebanese merchants allied with French investors to carve the edifices of transportation – a port, a railway, and an air terminal – into the fabric of the city, causing sudden economic growth due to the influx of French capital and development. Their achievements thrust Beirut into a central position in the web of transportation and trade systems which stretched across the Middle East at the turn of the twentieth century.

The rise of Beirut's port would have been a surprise to anyone living in Beirut in the 1800s. The city has always been noted for its natural beauty, as it sits on the northern end of a chain of hills that slope down into St. George's Bay.⁴ Approaching Beirut by boat, the city seemed to rise out of the water and stretch back over the hills of Ras-Beirut, framed with the backdrop of Mount Lebanon. The east-west projection of Ras-Beirut

⁴ Geography from: Leila Fawaz, *Merchants and Migrants in Nineteenth-Century Beirut* (Cambridge, Mass.: Harvard, 1983), 8. The main bay in Beirut has historically been named "St. George's Bay," referring to the saint who hailed from Roman Palestine and according the legend slew the dragon around 300 AD. The cult of St. George has been popular in Beirut for centuries, and local legend holds that he killed the dragon in the bay of Beirut. Modern Arabic speakers simply call the bay "Khaleej San Georges" or "Gulf of Saint George," but there is some small evidence that the bay used to be called "Jun el-Khidr" or "Bay of el-Khidr." El-Khidr refers to The Green Man that Moses meets in the Quran, who is popularly associated with St. George for unknown reasons. Evidence for usage of "Jun el-Khidr" from: *Mediterranean Pilot Volume IV: From Cape Matapan (Greece) Eastward, the Mediterranean Archipelago, and the Southern Shore of the Mediterranean Sea, Eastward of Ras Ashdie (Libia)* (Washington, D.C: U.S. Hydrographic Office, 1918), 591.

gave St. George's Bay some protection from the southwest winds which could trouble ships. However, that was where the natural geographic advantages of Beirut ended. Although the hills afforded some protection from the southwest winds, St George's Bay was by no means a natural harbor, and during winter vicious weather could whip in from the Mediterranean. Additionally, the bay was extremely shallow, and before a port was constructed in 1834, the single grimy quay reaching out into the bay did not extend far enough for rowboats from anchored ships to reach it. The boats would hit bottom, and passengers or goods would have to be carried ashore by boatmen.⁵ Furthermore, the mountains were picturesque from the water, but they made transporting goods into the interior difficult. The natural barrier between Beirut and interior cities of the Levant had to be negotiated by pack animal on a steep and twisty road. These geographic drawbacks seemed like an inauspicious start for developing a large international port.

In the late eighteenth and early nineteenth century, there was an active yet small coastal trade that passed through Beirut. Merchant sailing vessels hopped along the coastal cities of Anatolia and the Levant, and transported Mount Lebanon's wood from Beirut to Jaffa, and silk from Beirut to Sidon or Acre, where it could be shipped off to Marseille.⁶ Beirut was just another port of call like Tyre, Latakia or Yaffa, and it was only in the 1850s that structural improvements to the port and the advent of steam resulted in a sudden growth in commerce through Beirut. Over the next fifty years, Beirut would witness massive growth in its economy, as the short routes along the coast

⁵ Fawaz, *Merchants and Migrants*, 9.

⁶ Thomas Philipp and Birgit Schäbler, *The Syrian Land: Processes of Integration and Fragmentation : Bilād Al-Shām from the 18th to the 20th Century* (Stuttgart: F. Steiner, 1998), 7.

transformed into a web of transportation connections that brought Beirut to the center of trade between the Middle East and Europe.

Beirut entered into these trade routes through the construction of infrastructure which made the city indispensable in the Levantine trade routes. The first was the construction of a lazaretto during Egyptian rule of Greater Syria, which made Beirut a necessary quarantine stop for Mediterranean shipping lines to the Levant. Following this, French investors established concessionary companies which secured contracts from the Ottoman Sultan. Using these transportation concessionary companies, a single man, Count Edmund de Perthuis secured concessions for a roadway and a railway to Damascus and for a port in Beirut that was completed just before the turn of the century. The elites and businessmen of Beirut knew the importance of infrastructure projects to improve Beirut's place in Levantine trade. The local elites were actively involved in securing the concessions, by allying with the French companies, raising local money, negotiating with the Sultan, and providing a local front man to secure the concession. Edifices such as the port were both products and sites of alliance and contestation between the local merchants and the ruling government. The native elites used what leverage they had to encourage the development and centralization of their city, which was accomplished through European capitalist investment.

With the new port, by 1900, Beirut's port dealt with more shipping than any other port on the Middle Eastern coast, surpassed only by Alexandria and Istanbul.⁷ Silk, cotton and wood from the Lebanese Mountains and wheat, barley, and corn from

⁷ Roger Owen, *The Middle East in the World Economy, 1800-1914* (London: Methuen, 1981), 98.

Hawran⁸ poured into Beirut.⁹ The goods were initially transported by pack animal, later automobile, then and in 1895 the Beirut-Damascus railway was inaugurated, with a spur reaching down the grain fields of Hawran.¹⁰ These goods came into the port where they were loaded onto wooden paddle, and later iron hulled steamships, ready to be shipped throughout the Mediterranean – to Marseilles, Liverpool, Antwerp, Algiers and other cities. Finished manufactured products like cottons, tin and metals, (often from Manchester factories) were shipped into Beirut's port from Europe, and Beirut's rail line to Damascus allowed the European wares to spread through Greater Syria. In less than a century, the shallow bay seemed to have made itself indispensable in the system of Mediterranean trade, easily surpassing all other coastal cities.

This economic supremacy was solidified when Beirut constructed a new modern port in 1938. But instead of being the product of natural city growth, the modern port was constructed during a moment of economic crisis in the 1930s. This was a period of worldwide depression and massive economic downturn, both for the city of Beirut and for the mandatory French government. With the deflation of the French franc, and the crash of Lebanese exports, the 1930s should have been a time of economic austerity. Instead, the French mandatory government decided to invest in a 49 million franc port.

⁸ Hawran, also spelled Hauran or Houran (Arabic for "cave land" referring to the natural caves in this volcanic plateau) area about 70 km south of Damascus and due west of Haifa, lying today in modern day southwestern Syria and northwestern Jordan. This area was one of the most fertile and grain rich plains in the Levant, and was an important resource for the port city trade.

⁹ G. Bie Ravndal (American Consul), "Railways in Syria," 28 December 1903, in Department of Commerce and Labor, *Monthly Consular Reports, Vol. LXXV, Nos. 283,284 and 285, April, May, and June 1904* (Washington D.C.: Government Printing Office, 1904), 238-241.

¹⁰ Ibid.

To discover the reasons for the decision to build an expensive port during a time of commercial decline, we must look south to the city of Haifa.

Through the nineteenth century, a number of the infrastructure improvements were constructed in response to economic competition from another city. To locals, the city was involved in a regional war of economic and cultural competition. The potential rise of any other city was a cause for economic anxiety that prompted sudden action on the part of the elites. As a result, the economic growth of Beirut often would see sudden expansion imposed by French capital in response to a threat from a competing city.

In 1933, the construction of the new port in Haifa threatened Beirut's place as a central node in the Levantine trade. In the late nineteenth century, Haifa experienced significant population growth, although it remained a small town. However, at the turn of the century, the Ottoman government focused on building up infrastructure links to the town of Haifa in order to counter the increasing European and Lebanese control of commerce through Beirut, which threatened Ottoman commercial and strategic interests. To this end, the Hejaz Railway authority connected Haifa to Dera'a in 1905, bringing Haifa into a railway route that eventually ran from Damascus to Medina.¹¹ Following this, under the British Mandatory government in the 1920s and 1930s, Haifa was a city growing swiftly in population and industry, linked by rail to interior cities and south to Alexandria. Haifa could access the same barley-rich fields of Hawran but did not have to deal with the barrier of Mount Lebanon, and the natural harbor of Haifa easily held a large number of ships. When the new port opened, Haifa positioned itself to take over

¹¹ May Seikaly, *Haifa: Transformation of an Arab Society 1918-1939* (London: I.B. Tauris., 2002), 23-24.

the trade routes that Beirut had previously controlled. The rise of Haifa in the south appeared to be a very real threat to Beirut's maritime and trade supremacy in the economically unstable years of the 1930s.

When Haifa opened the doors to its new harbor in 1933, this set off a panic in Beirut. Merchants, politicians and the press saw the rise of new port in the south as threatening the commercial centrality of Beirut in the Levant. For the Beirutis, this threat was far more serious than the effects of the worldwide depression, which they viewed as an economic problem but not a catastrophe. The development of the port in Haifa, was conceived as a much larger problem because it was understood as a threat to the very existence of Beirut. The Beirut merchants correctly identified Beirut's economic stability as hinging on these trans-Mediterranean transportation routes which it controlled through the mechanism of the port. By building a larger modern port, Haifa had developed competing infrastructure to Beirut which could reorder the flow of commerce in the Mediterranean. The economic threat of the Haifan port was not merely to the volume of commerce, but to the trade lines which sustained that commerce, and therefore had the potential for far-reaching implications. This port in the south could permanently unseat the city of Beirut as the central gateway to the Levant, and as the economic capital on the coast.

In order to confront this existential threat, Beirut merchants harnessed the productive power of the French mandatory state. Local merchants pushed the French government into action, updating their tactics of negotiation that they had developed to petition the Ottoman state in order to secure the rights to concessionary companies. The

Beirut press, merchants and politicians mobilized to petition the French High Commissioner of Syria and Lebanon to address this issue. “Will [the High Commissioner] continue to be unaware of stratagems practiced by Palestine to economically kill the countries under French Mandate?” asked one newspaper.¹² Another editorial declared that the High Commissioner must move quickly “to remedy this pitiful situation.”¹³

Merchants and the press did not agitate for Lebanese nationalist control of the economy, but instead used the framework of the French Mandate’s charter to promote economic growth in their possessions to compel the state to action. The Beirut press framed the situation as the High Commissioner’s duty to address the economic threat to the south, and framed the city competition as competition between the English and French empire which threatened French commerce in the Levant. By doing this, the Beirut press gave the French the possibility of fulfilling obligations to the mandates and triumphing over Britain in colonial economic competition. The press’ endless campaigning, combined with pressure from Beirut’s merchants and politicians, was ultimately successful, and the High Commissioner reversed France’s policy of economic non-involvement, and drew up plans to expand the port of Beirut in 1934. Beirut’s new port was conceived as a massive and impressive monument to modernity, tripling the size of the waterfront and able to dock even the largest of ocean liners, like the 12,263 ton *Le*

¹² *Lissan*, 23 October 1933.

¹³ *Bassir*, 18 November 1933.

Champollion.¹⁴ With a price tag of about FF 49 million, the new port of Beirut opened in 1938 to great acclaim and secured Beirut's position as the premier gateway to the Levant.¹⁵ Only the next year, Beirut would open the doors to a new aerodrome that allowed the city to become an aviation as well as shipping hub, sealing its position of transportation supremacy on the coast and effectively removing Haifa from direct competition with Beirut.

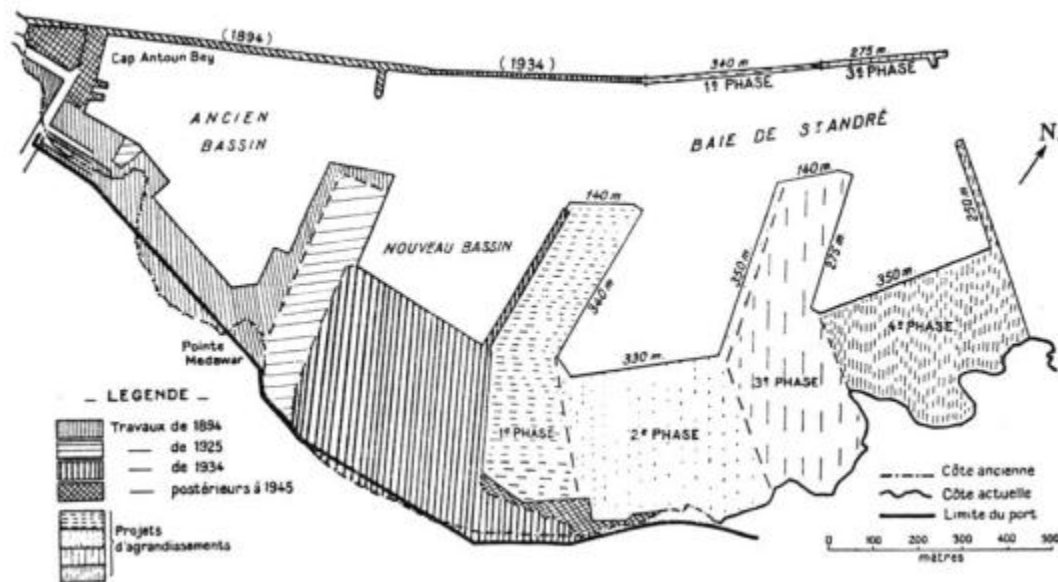


Figure 1: Port development from 1894-1934¹⁶

The Beirut-Haifa competition has largely been forgotten in existing literature on the Middle East, and on Anglo-French imperial competition.¹⁷ After the establishment of

¹⁴ Le Champollion was a Messageries Maritimes steamship that ran the Marseille-Beirut-Alexandria routes in the 1930s and 1940s. Arnold Kludas and Charles Hodges, *Great Passenger Ships of the World: Vol. 3* (Cambridge: Stephens, 1976), 8.

¹⁵ Gates, *The Merchant Republic of Lebanon*, 33.

¹⁶ Jean Laugenie, "Le Port de Beyrouth," *Revue De Géographie De Lyon*. 31 (4): 271-294, 1956.

the state of Israel in 1948, all surrounding Arab countries declared an embargo on goods from Israel. This embargo cut off any chance that Haifa's shipping could continue to compete with Beirut; Haifa could no longer transport goods by rail or auto to any surrounding country, resulting in Beirut's economic regional supremacy in the mid-twentieth century.¹⁸ Additionally, Lebanese nationalist history has perpetuated a narrative of the eternal existence of Beirut's port, going back to the time of the Phoenicians.¹⁹ Beirut is constructed as always having been a central city in the Levant, and always having been a significant port. These two factors have caused historians to project backwards the importance of the port of Beirut and the insignificance of Haifa.

But, the moment of Haifa's challenge and Beirut's subsequent ascendancy was a turning point for the city's centrality, and came after years of inter-city competition and trade development. The history of Beirut's infrastructure development and city competition with Haifa is important, not simply because the story has not been told before, or because it was the moment which assured Beirut's centrality as the primary gateway to the Levant. But also, this moment reveals the local understanding of their city as a central node in the web of transportation that stretched across the Middle East. It furthermore exposes the Beirutis' ability to work within the framework of the Ottoman and colonial state to compel the development of infrastructure and edifices of modernity

¹⁷ There are brief mentions of the Beirut-Haifa competition in some books: *Histoire De Beyrouth* (Paris:2004), 272-78, and Marwan R. Buheiry, "Beirut's Role in the Political Economy of the French Mandate, 1919-30" in *The Formation and Perception of the Modern Arab World* (Darwin Press: Princeton, 1989), 549-52, Meir Zamir, *Lebanon's Quest: The Road to Statehood, 1926-1939* (London: I.B. Tauris, 1997), 86-87.

¹⁸ Frank Brenchley, *Britain and the Middle East: An Economic History, 1945-87* (London: L. Crook Academic Pub, 1989), 37.

¹⁹ Asher Kaufman, *Reviving Phoenicia: The Search for Identity in Lebanon* (London: I. B. Tauris, 2004), 5.

that were essential to Beirut's continued economic centrality. Through this understanding, alliance with French investors and negotiation with the state, Beirutis were able to reorient the lines of trade in the Levant and make their city an indispensable gateway between the east and the west. The construction of the railway, port and then the airport definitively shifted the balance of economic power in the Middle East to Beirut, firmly seating the city as the central hub of commerce in the Levant in the mid-twentieth century.

Chapter 1: The Rise of Beirut (1832-1918)

There is a subtle yet persistent misunderstanding that Beirut has always been an important and famous port in the Levant. No respected historian of Lebanon would perpetuate this idea today, but it nonetheless constantly appears in Lebanese political narratives, literature and national culture. Part of the reason for this historical misunderstanding is the mythic construction of a historical continuity between the ports of Phoenicia and the port of Beirut today. “Phoenicians” refers to a group of Canaanite Indo-European tribes who lived on the coast of Greater Syria and were well known for their sea-faring abilities. Phoenicia was a bridge between the east and west which became a center for cultural diffusion and trade, and gave the world naval engineering and the alphabet. The Arab occupation of the Levant resulted in the decline of Phoenicia and her trade empire. In order to preserve their unique ethnic heritage and culture, the Phoenicians retreated to Mount Lebanon where the bastion of the Mountain preserved and inculcated the exceptional abilities of the Lebanese to be traders, scholars and create crossroads between the east and west.²⁰ At least that is the story. Today’s academics, such as Asher Kaufman, have applied stringent scholarship to dismantling these narratives, as he has found that the myth of Phoenicia continues to permeate Lebanese culture.²¹ In reality, Phoenicians were a culturally unified group whose civilization was absorbed into Greek and then Roman empires after Alexander the Great conquered the

²⁰ Asher Kaufman, "Phoenicianism: The Formation of an Identity in Lebanon in 1920" *Middle Eastern Studies*. 37 (2001), 174.

²¹ Kaufman, *Reviving Phoenicia*, 5.

Middle East.²² There was no trauma of conquest and retreat into the Mountain, but assimilation into Greco-Roman culture. In the 1920s, the primordial construction of Phoenicia became extremely useful for the Maronite Christians of Mount Lebanon to construct a nationalist foundation myth. Phoeniciaism allowed the Maronites to politically distance themselves from the Arabist movements in Greater Syria, and create a distinctly Lebanese identity.

This specific historical construction stems from one of the aspects of Lebanon's makeup, that of its multiple confession groups. Most cities in the Middle East housed several confession groups, such as, Muslims, Catholics, Jews, Greek Orthodox, and during the nineteenth century most cities had a Muslim majority. In Lebanon, there was a large number of Maronite Christians and Druze who added a local twist onto the usual social and political confessional negotiations. In the Ottoman era, Christians were a significant portion of the population in Beirut and the mountains, and they slowly moved into the urban areas due to instability in Mount Lebanon and Syria.²³ Leila Fawaz estimates that in the 1830s that Christians constituted half of the population of Beirut, but that by 1860 they constituted a numerical majority, and by the 1910 were fully two thirds of the population.²⁴ These Christians were of numerous different confessions, predominantly Greek Orthodox, Maronites and Greek Catholics.

Maronite Christian businessmen were able to use religious lines of association to work with French merchants, as the Maronite Church was (and remains) in confession

²² Kaufman, *Reviving Phoenicia*, 4.

²³ Fawaz, *Merchants and Migrants*, 4, 46.

²⁴ Fawaz, *Merchants and Migrants*, 48-49.

with the Roman Catholic Church. The European trade in the region was predominantly French, moving raw materials from Levantine ports to Marseille. European merchants were able to use consular protection maintain a privileged place in trade, and local businessmen were eager to attach themselves to Europeans so that this consular protection would be extended to them and exempt the merchants from taxes. Small-scale Christian businessmen found an effective niche as middlemen between European merchants and local traders or silk producers in the mid-nineteenth century.²⁵ These Christian men could act as interpreters, dragomen, protégés and agents for European merchants and could often accumulate enough wealth and connections in such positions to enter into businesses (such as the silk industry), themselves. From these initial forays into trade, successful businessmen could consolidate into a commercial house that kept the trade contracts with Europeans in the family, increasing their wealth and standing. Excepting Ottoman appointed state-officials, the commercial and political actors were one and the same in the city. Merchants secured a place on the civic council to influence both trade and politics.

Some Muslim families were able to follow a similar trajectory, such as the powerful Bayhum family which retained a central position in Lebanese politics and business for a century. However, the large-scale trade with Europe was run predominantly by Christians; only three of twenty-nine commercial houses trading with England in the 1840s were Muslim.²⁶ Muslims merchants often provided the connection

²⁵ Ibid.

²⁶ Fawaz, *Merchants and Migrants*, 98.

to the interior for Christian merchants, and ran the goods trade on the road to Damascus, or south to Hawran. This trade generated important connections, but not the sort of gross wealth accumulated by urban merchants involved in the silk trade. The growing dynamics between Muslim and Christian business interests should not be viewed as directly in competition with each other or diametrically opposed; there were numerous cross-confessional business relationships. However, it was also clear that starting in the 1850s and continuing under the French mandate, Christians were able to use their confessional ties to create lucrative business connections, putting them at the top of a new class of wealthy merchants in the city. These merchants operated through the port, but until the second half of the 19th century, Beirut was nothing more than a minor port of call that participated in small-scale regional trade.

THE BEGINNING OF LONG-DISTANCE TRADE

As explained, the port in St. George's Bay suffers from shallow water and minimal protection from winds, so it has required man-made construction to make it an effective shipping center since the Roman era.²⁷ Despite the existence of a port since ancient times, Beirut did not experience the high volume of trade that was seen in the inland centers such as Aleppo and Damascus era until after 1850.²⁸ During the age of sail, commercial merchants could only get insurance for their goods from 3 May to 13

²⁷ Jean Laugier, "Le Port de Beyrouth" *Revue de Géographie de Lyon* (31:4, 1956), 274.

²⁸ Brant William Downes, *Constructing the modern ottoman waterfront: Salonica and Beirut in the late nineteenth century* (Thesis (Ph. D.)--Stanford University, 2008), 69

September.²⁹ The winter months were considered too dangerous for shipping, as the wrecks stranded outside the bay testified.³⁰ Inland centers benefitted from the textile and grain trade, but these overland routes had no need to go thorough Beirut. The trade to Beirut generally ran on two main line: one over the mountain to Damascus and another that ran up and down the coast.³¹ The long range trips to Europe were growing, but did not yet constitute a significant portion of the trade. The traffic that the port saw was usually small Ottoman sailing ships conducting short hops along the Ottoman coastline. Long range travel from Europe was rare before the 1850s, although some larger ships came through to load up on Lebanese silk, most of the boats moved goods along the ports of the Levant and Anatolia.

The turning point in Beirut's fortunes occurred during Egyptian rule of the Levant, after Ibrahim Pasha occupied Beirut in 1832.³² At the time, Beirut was a small town with around 12-15,000 people and little municipal administration.³³ In keeping with Egyptian reform programs, Ibrahim appointed a civilian council to act as a governing body for the city, made up of the local elites and growing merchant class. Along with Egyptian officers, the council worked to improve the public sanitation (sewage and irrigation) and infrastructure (roadwork and new paved streets). But most importantly for Beirut's economy, Ibrahim Pasha ordered port improvements,

²⁹ Samir Kassir, *Histoire De Beyrouth* (Paris: 2004), 110.

³⁰ *Mediterranean Pilot Volume IV*, 590.

³¹ Toufoul Abou-Hodeib, "Quarantine and Trade: The Case of Beirut, 1831-1840," *International Journal of Maritime History* (19 (2): 223, 2007), 241.

³² Samir Kassir, *Histoire De Beyrouth* (Paris: 2004), 103.

³³ Fawaz, *Merchants and Migrants*, Table 1, p. 126. Fawaz notes that the provided population estimates should be used with caution, as there were no reliable statistical methods for gathering census data, and figures were often approximate, Fawaz, *Merchants and Migrants*, 28.

constructing a quarantine station and new warehouses for goods.³⁴ These improvements drew the attention of and impressed the British and French consular representatives, and eventually attracted more foreign-based trade to Beirut in lieu of other, out-modeled ports.³⁵ The port slowly developed due to small-scale projects, such as a new customs house, sheds for goods, a docking basin for barges, and a lighthouse.³⁶

The concentration of facilities in the city resulted in Beirut slowly becoming a central stop for trade on the Levantine coast. However, the turning point was the construction of a lazaretto in Beirut. The early and mid-1800s were characterized by constant outbreaks of plague and cholera which had devastating effects on the population and economy of urban centers. There were reports of plague outbreaks in Beirut in 1813, 1816, 1836, 1827, 1829 and 1831.³⁷ In earlier centuries, when an epidemic broke out at one port city, commerce would shift to other ports of call until the disease had passed. However, in the nineteenth century the Ottoman Empire expanded its role in the state control of the populace and commerce. Due to growing fears of disease, the Ottoman Empire slowly increased bureaucratic regulation of public sanitation, and ships coming into Ottoman territory had to stop at a quarantine station in order to prevent transmission

³⁴ May Davie, *Beyrouth et ses faubourgs (1840-1940): Une integration inachevée* (Beirut: Centre d'Études et de Recherches sur le Moyen-Orient Contemporain, 1996), 32.

³⁵ N. Moore, Commercial Report, 16 November 1835, FO 78/264, as quoted in Charles Philip Issawi, *British Trade and the Rise of Beirut, 1830-1860* (Princeton, N.J.: Program in Near Eastern Studies, Princeton University, 1977), 93-94.

³⁶ Kassir, 118.

³⁷ Fawaz, *Merchants and Migrants*, 34.

of epidemics.³⁸ To this the, Ibrahim Pasha built a lazaretto outside of Beirut that opened in 1834.

The twelve day quarantine station in Beirut had numerous bureaucratic problems, and did not always prevent disease (as when cholera hit Beirut in 1838, 1848 and 1865), but there were no other quarantine stations on the Levantine coast.³⁹ For the first time, the central government provided a fixed point of contact for trade in the Levant.⁴⁰ Toufoul Abou-Hodeib argues that Ibrahim established the lazaretto not only to ameliorate the disastrous effects of disease on commerce, but also to control and redirect the flow of trade.⁴¹ Trade that once diffused from Istanbul and Marseilles to Alexandretta, Latakia, Sidon, Tyre, Haifa and Jaffa now funneled into Beirut. After Ibrahim erected the lazaretto, all European ships bound for Syria had to stop at Beirut for quarantine.⁴² As Beirut's trade expanded, local merchants made connections with European businessmen, foreign consular representation solidified their presence in Beirut, and the small city began to develop international diplomatic and business links with the rest of the Mediterranean.

As European trade grew, Beirut was a site of competition between French and British run companies; firms constantly struggled to acquire resources and secure transportation concessions, like ports, railways and oil pipelines. This economic contest

³⁸ Fawaz, *Merchants and Migrants*, 33.

³⁹ There was a station in Alexandria, but not in the Levant.

⁴⁰ Fawaz, *Merchants and Migrants*, 37; Abou-Hodeib, "Quarantine and Trade: The Case of Beirut, 1831-1840," 230.

⁴¹ Abou-Hodeib, "Quarantine," 231.

⁴² Abou-Hodeib, "Quarantine," 234. The only exception to this was passengers going on pilgrimage to Jerusalem, who did not have to stop in a quarantine.

would be essentially important in developing Beirut's port and in the development of the merchant class in Beirut. One of the reasons for the start of this trade competition in Beirut was that previous to the 1830s, Beirut had truly been a commercial backwater, and therefore there were no established foreign commercial interests there. Many of the major cities in the Levant had trade regulated by the echelles system. Echelles was the term used in the first French Capitulation agreements between the Ottoman Porte and the European powers in the 16th century. It referred to an Ottoman port city that was bound to regulated trade agreements with the French. The coastal cities of the Levant and Anatolia were labeled echelles, and developed into a system which created a protected "free trade zone" for French merchants, ultimately resulting in practices which privileged French businessmen, who later extended their privileges into insulated consular practices in these cities. Beirut, not being a center of trade when the Capitulation agreements were originally fashioned, was never legislated under the echelles system.⁴³ The economy and local merchants therefore benefitted from the unfettered competition between British and French interests.

Furthermore, Beirut was not a seat of Ottoman government, so there was no direct oversight on the town. During the mid-nineteenth century, Beirut's administrative oversight came from Damascus, Sidon or Acre.⁴⁴ The local governmental representation in these other cities never gained significant influence over the administration of Beirut,

⁴³ Yasar Eyup Ozveren, "The Making and Unmaking of an Ottoman Port-City" (Ann Arbor, Michigan: UMI, 1990), 80.

⁴⁴ Jens Hanssen, *Fin de Siècle Beirut: The Making of an Ottoman Provincial Capital* (Oxford: Oxford University Press, 2005), 33.

because the civilian council successfully maneuvered to counter their power.⁴⁵ With the combination of these auspicious factors, European entrepreneurs saw business opportunities in Beirut, and European governments saw opportunities for influencing the Ottoman Empire. Beirut experienced a sudden expansion of foreign merchants, as when trade began to build up in the 1830s, there was also a sudden increase in foreign consular representation.⁴⁶ Both the French and British wanted to be able to have a governmental presence on-hand in order to secure their countries' commercial interests.



Figure 2: Postcard of the port

Beirut linked into Mediterranean trade precisely when maritime trade was rapidly expanding due to the technological advances in engineering. The introduction of

⁴⁵ Hanssen, 34.

⁴⁶ Fawaz, *Merchants and Migrants*, 69.

steamships rather than sailing vessels resulted in shorter travel time and longer seasons of travel. The first steamship arrived in Beirut in September 1835 from Istanbul, and British steamers from London reached Beirut by 1837.⁴⁷ Of course, there was not an immediate transfer of all ships over to steam, and sailboats continued to be in the majority of ships seen in the port for until the 1870s. But the steamships expanded the possibilities of trade to Beirut and throughout the entire Mediterranean. Steamships could carry more tonnage, and cut travel time in half. As Charles Issawi computes, the average commercial sailing time from Liverpool to Beirut was 41-42 days in 1851; in 1856 those same 5000 miles took only 28 days for propeller steamers.⁴⁸ The technological changes allowed for the rise of massive and lucrative shipping lines; the Austrian Lloyd of Trieste and the Messageries Maritimes of France were both founded in 1837.⁴⁹ These two lines would dominate trade in the Levant for the next hundred years, and the port of Beirut would often struggle to accommodate the size and the number of steamers from these companies.

Linked with the rise of steamships was the growth of tourism, which would later grow into a booming business that spawned hotels, touring companies, and passenger ship routes from Europe into the Levant and Egypt. Tourist came to Beirut to see the hybrid European and Middle Eastern city in the Levant, and also to travel to the Roman ruins of Baalbek. Later tourist companies in the twentieth century would make Beirut a stop on an tour of the Middle East which featured the lost past of the Romans and the

⁴⁷ Charles P. Issawi, *The Fertile Crescent, 1800-1914: A Documentary Economic History* (New York: Oxford University Press, 1988), 205.

⁴⁸ Issawi, *The Fertile Crescent*, 205.

⁴⁹ Issawi, *The Fertile Crescent*, 205.

Pharaohs in Egypt, and emphasized the wild exoticism of the Middle East.⁵⁰ Slowly, it was not just goods which came out of the port, but also European tourists who were the first wave of people who saw Lebanon as an adventure vacation destination. One visitor stated, “Beirut is the premier port of Syria, its population can only increase from day to day, communications with Europe are easier there, European protection more effective, the cost of living less.”⁵¹ Both the tourists and expanded French and British trade in the age of industrial shipping resulted in continued expansion into the 1840s and 1850s. By the 1850s, French consular representatives and residents in Beirut reported that Beirut’s commerce had surpassed Tripoli and Sidon, and had taken “possession of the entire coast.”⁵²

⁵⁰ Kassir, 306.

⁵¹ Letter, Father Jean-Francois Badour to Father Pieter Beck, 2 September 1853 quoted in Kassir, *Histoire*, 110.

⁵² Letter from Father Jean-Francois Badour to Father Pieter Becks, 3 September 1853, quoted in Kuri, *Une histoire du Liban*, 2:117.

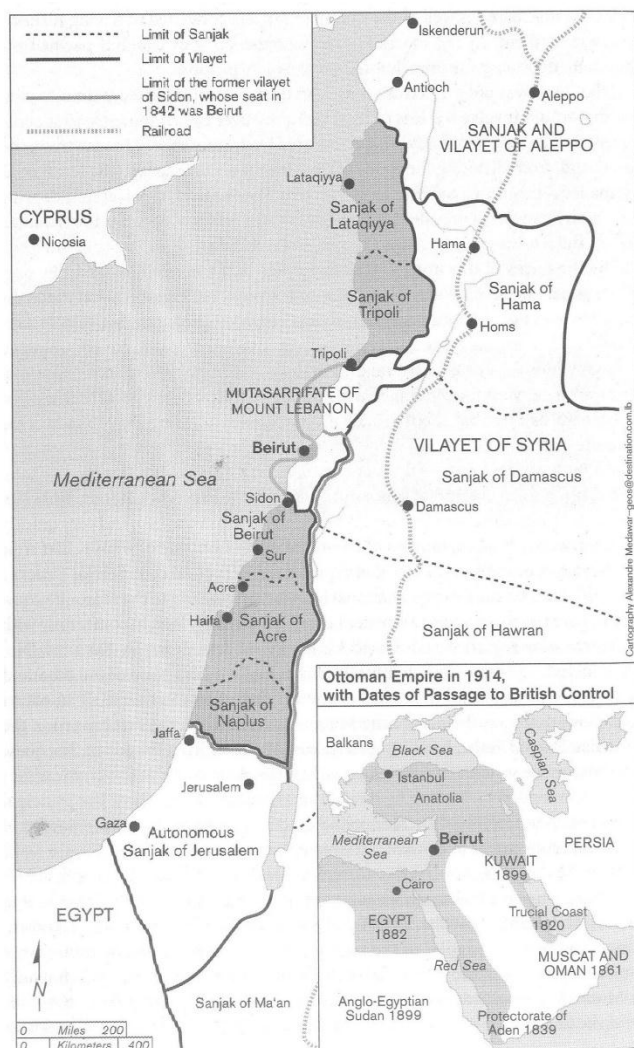


Figure 3: The Vilayet of Beirut in 1888.⁵³

Despite the growth of the port, Beirut's potential trade suffered from its isolation from Greater Syria, which it was separated from by the land barrier of the mountains. The mountains in eastern Lebanon can easily be conquered by a car or bus today, but in the late 1800s the only land route to Damascus was a steep, two-day road that had to be

⁵³ Kassir, *Histoire*, 94.

negotiated by pack animals.⁵⁴ The goods coming into the port could only reach Damascus and Greater Syria through this arduous route which resulted in slow transportation and frequent losses to accidents and bandits. Business with the interior was a risky venture with high costs and frequent catastrophic losses. Count Edmund de Perthuis (1822-1904), who settled in Syria in 1848 where he worked for Messageries Maritimes (then called the Messageries Imperiales), quickly realized that an easily negotiable road could be a lucrative investment.⁵⁵

De Perthuis looked at two potential routes to Damascus, one that would be steep and potentially less defensible from bandits, or a longer and safer route which would go through Sidon. Local elites knew that the concentration of infrastructure in Beirut had been one of the main reasons it quickly developed as a trading center, and so they preferred the direct route to Damascus, which would bypass Sidon, definitively neutralizing it as a potential threat and an alternative trade route. They therefore intervened with de Perthuis to sway the decision towards the hazardous direct route, which he presented to Istanbul. The Sublime Porte granted de Perthuis the carriageway concession in 1857, leading to the creation of a joint share company, the Compagnie Imperiale Ottomane de la route Beyrouth à Damas.⁵⁶ Completed in 1863, the road was beneficial for both cities, and suddenly brought Damascus within a day's travel of a growing Mediterranean port. The local Beiruti municipality's intervention in this case demonstrates their understanding of the city's regional role in trade, and the potentially

⁵⁴ Kassir, *Histoire*, 116.

⁵⁵ Leila T. Fawaz, *An Occasion for War: Civil Conflict in Lebanon and Damascus in 1860* (Berkeley: University of California Press, 1994), 117.

⁵⁶ Fawaz, *Merchants and Migrants*, 68.

precarious position they were in. The new direct route worked to position Beirut above Sidon. It also indicated their ability to influence major French investments, and to involve itself with the larger politics of negotiating concessionary agreements. The local elite's understanding of the importance of bringing and controlling advances in transportation and trade are seen again and again in the battle over the port concession.

BUILDING A PORT (1860-1888)

With the new route to Damascus drawing more goods into the port and the increased tourism into Beirut, the port traffic outstripped the ability of the facilities to accommodate it, and by the 1860s, the port was in desperate need of another renovation. As the French consul noted, "Beirut is only an entrepôt. This city can only remain or grow through the construction of the port."⁵⁷ However, financial and geographic difficulties emerged. Even with the road, Beirut's geographic position behind mountains made it a poor choice for a large port city, and the port area itself was not enough of a natural harbor to make the construction easy. In addition to the geographic problems, there were divided local interests in developing the port, as a section of the city's merchants were opposed to the project, fearing that the port would bring new taxes to bear on the residents.⁵⁸

The first concentrated push for construction of a new port came from the Messageries Maritimes, who entreated the French government to conduct a study of the potential expansion of the port. Emile-Charles Guepratte, a naval officer, developed a

⁵⁷ MAE Paris, CCC, #9, Feb 22, 1868, as quoted in Brant William Downes, *Constructing the modern ottoman waterfront*, 135.

⁵⁸ Brant William Downes, *Constructing the modern ottoman waterfront*, 113.

preliminary plan for a port in 1860.⁵⁹ Edmund de Perthuis, who at this point was both eagerly awaiting the completion of his road-way between Beirut and Damascus, and was still attached to the Messageries, jumped at the prospect of a new port.⁶⁰ Using Guepratte's plan, the Messageries and de Perthuis presented the proposal to Istanbul, but were rejected. The Sublime Porte had just given him the roadway concession, and saw the increasing encroachment of the Great Powers in the trade economy of the Levant as a threat. Instead of selling the concession away to enrich their coffers, Istanbul decided to re-entrench their coasts, establish control over new maritime projects in order to strengthen state rule, and limit the direct control of foreign companies.⁶¹ This was an empire-wide project, however, Beirut saw direct impact from the new policies; the Porte had no intention of granting another joint-share concession, but did not have the capital to spare on Beirut itself. Istanbul therefore refused the Messageries' plans, deeming it better to stall significant renovations rather than show their weakness and the French's ability and economic strength by granting them the concession.

The battle over a concession for the port became the site of competition over control of Beirut, both politically and economically. The city's economy was intrinsically linked to the fortunes of the port; there was no potential of economic development without it. Locally based French investors such as Count Edmund de Perthuis were determined that the port of Beirut would be their gateway into the Levant.

⁵⁹ May Davie, *Beyrouth: 1825-1975: Un siècle et demi d'urbanisme* (Beirut: Ordre des Inenieurs et des Architectes, 2001), 34

⁶⁰ Fawaz, *Merchants and Migrants*, 68.

⁶¹ Selim Deringil, *The Well-Protected Domains: Ideology and the Legitimation of Power in the Ottoman Empire, 1876-1909* (London: I.B. Tauris, 1998), 50-52.

A French financed and controlled port would open the door for increased trade, allow French companies control over the port spaces themselves (undercutting pre-existing guilds), and allow the French to get the upper hand in the Anglo-French economic competition in the Levant. On the other hand, Istanbul needed to avoid unilateral French control of the port at all costs. It would be an important economic opening to Europe, but would undermine any agency or control the Porte had of its maritime trade on the coast of the Levant.

Instead of granting the concession, Istanbul contented itself with minor renovations (a new lighthouse, a new customs house) to delay the issue. However, many local Beiruti merchants whose fortunes were increasingly dependent on European trade, found this compromise to be wholly insufficient. Local merchants and the municipality appealed to the provincial governor in Damascus in 1868 to authorize new port construction to no avail.⁶² Failing in this endeavor, local business leaders petitioned Istanbul in 1879 for a new port concession to be granted to Beirut.⁶³ After being rejected by Istanbul again, the municipality collected investments from local merchants to a sum of 20,000 Lira, and then contacted the Banque Imperiale Ottomane (BIO)⁶⁴ with a proposal for a new port.⁶⁵ However, at this time, BIO was not interested in involving itself, and without the support of either the government or a major corporation, there was no way to locally fund the port. These failed attempts showed that the municipality, the

⁶² Kassir, *Histoire*, 108

⁶³ May Davie, *Beyrouth: 1825-1975: Un siècle et demi d'urbanisme* (Beirut: Ordre des Ingenieurs et des Architectes, 2001), 61.

⁶⁴ Established in 1863, a joint venture between British interests, the Ottoman government and the Banque de Paris et des Pays-Bas.

⁶⁵ Brant William Downes, *Constructing the modern ottoman waterfront*, 108.

elites and the merchants (who were often composed of the same notable families) used multiple paths of negotiation to attempt to get a new port in Beirut. Each attempt exhibited an increasing investment by the local elites, as they moved up the ladder of appeals to the Sultan and then invested their own money to tempt BIO. They had a quotidian understanding of Beirut's new status as an economic center within the Ottoman Empire, and their connection and reliance on European international shipping. But despite their impassioned involvement in the project, it also proved that the local Beiruti leaders and businesses were not yet able to influence state politics, or to sway international business. Untimely, their failure proved that it would take more powerful players to change the fortunes of Beirut.

The years dragged on with the Porte blocking attempts at negotiating a concession. Finally, the French investors developed a work-around strategy that would allow Istanbul the appearance of keeping the port construction in-house while in fact delivering the concession to the original French group. The story of the Beirut concession is often seen as proof of local agency over the encroaching power of the foreigners. As the triumphant story is told, a Lebanese native, Joseph Moutran, received the concession in 1887, securing for Beirut what several foreign companies had tried and failed to obtain.⁶⁶ The reality of the story was a little different. This was an instance of local agency, but one in which the local merchants allied with French capital in order to bring infrastructure developments and foreign trade, not a rejection of French control. The major player in this story was not Moutran but de Perthuis, who, after 24 years of

⁶⁶ Hanssen, *Fin de Siècle Beirut*, 90.

attempting to get the concession, had grown tired of the intransigence of the Porte. He allied himself (for a considerable sum of money) with a Syrian named Selim Malhame, who happened to be the director of the Ottoman Public Debt Administration.⁶⁷ Malhame did not want his name on the project, so contacted a landowner and minor government official of dwindling fortunes from Baalbek who worked in Beirut, by the name of Joseph Moutran. Moutran went to Istanbul in his stead to negotiate. Moutran had only a passing interest in ports, and even less knowledge of large-scale engineering, but had a pressing interest Malhame's promise to settle his debts, so traveled to Istanbul in order to secure the concession. Finally, de Perthuis was able to play a perfect hand; Istanbul had recognized that they were going to be unable to provide the financial backing for the port and so were willing to listen to proposals. Moutran's position as the intermediary allowed them the pretense of giving the concession to a local, and the various large bribes in francs paid to several members of the Ottoman administration were much more convincing than the 20,000 Lira sums. De Perthuis's man in Istanbul finally obtained the concession by imperial firman on 11 June 1887 which authorized the formation of a company to improve the port.⁶⁸

Moutran handed the concession to de Perthuis, who created and ran the consortium of the Compagnie Imperiale Ottomane du Port, des Quais et des Entrepots de Beyrouth.⁶⁹ This French-run entity began work on updating the port along the lines of

⁶⁷ Brant William Downes, *Constructing the modern ottoman waterfront*, 170

⁶⁸ Jean Laugenie, "Le Port de Beyrouth" *Revue de geographie de Lyon* (31:4, 1956), 276.

⁶⁹ A combination of the Ottoman Bank, the Banque de Paris et des Pays-Bas, the Comptoir d'Escompte de Paris, the Compangine des Messageries Maritimes and the Compagnie Imperiale Ottoman de la Route Beyrouth a Damas.

the original plans, developed twenty-four years previously.⁷⁰ While this concession was a coup for the French investors, it also ameliorated Ottoman concerns, allowing them to appear to have given the work to Lebanese investors, even if it was a fairly thin fiction. Ultimately, the French had won the battle with the Porte, and while there would be minor skirmishes over control in the future, the regulation of maritime trade was a solidly French endeavor.⁷¹ While the local merchants had to give up control of the waterfront, they had a new port and new that they would see increased commerce through Beirut, which they would participate in a profit from. Unlike major European cities with large ports such as London, Stockholm and Marseille which saw continuous maritime development to complement economic growth and technical innovation, Beirut saw first stagnation and then rapid expansion imposed by French capital.⁷²

The physical space of the waterfront was completely transformed. The completed port (delayed due to complications of weather and disease), opened in October of 1895. The old port had been 150 meters by 100 meters, with a two-meter depth. Larger ships were required to moor fairly far out from the port, and harbor front space was always at a premium. The new port, significantly to the east, had an 800 meter by 350 meter pier and breakwater (respectively), greater depth, and a fifty two acre dock area with numerous

⁷⁰ Fawaz, *Merchants and Migrants*, 68.

⁷¹ While this fiction was important under Ottoman rule, in the Mandatory Period, French officials gave de Perthuis the place of the “founding father” of the modern port of Beirut, and he used as evidence of the long history of French – Lebanese cooperation on in developing Beirut. See: Speech at the Opening of the Port Extension by High Commissioner Comte de Martel, 13 June 1938, Box 708, Mandat Syrie-Liban, MAE-Nantes.

⁷² Josef W. Konvitz “The Crises of Atlantic Port Cities, 1880 to 1920,” *Comparative Studies in Society and History*, 36, 2, 1994, 300-303.

warehouses.⁷³ Beyond the port itself, there was a new quarantine house, new customs houses, and improved and expanded areas for harbor police. The old port was filled in, the old wharf became a street, and private docking facilities, were shut in deference to the monopoly on maritime traffic held by the port. Beirut was seeing both a physical transformation and increased administrative regularization of space on the waterfront.

This was altogether a sudden and fantastic change in the fabric of Beirut's waterfront in the space of only a few years. However, that did not mean that it was immediately successful, and in the first few years of opening, the port operated at a loss. In order to pay for the port facilities, there were heavy import taxes, fees and tariffs. The fees adversely affected the Beirut merchants who acted as middlemen in the trade from the hinterland to and from Europe (most of whom advocated for the port), but the boom in traffic more than made up any cuts in their profits. However, owners of small scale shipping operations that made coastal hops were more severely affected, as they could not easily expand their fleet to take advantage of the new port. While the large ocean liners had no choice but to go through the new port, local merchants with smaller vessels had more options. After the opening and imposition of associated fees, a number of merchants began a boycott and sent their goods through Tripoli, or bribed Ottoman officials to allow them to let their goods off at the coastlines and avoid the edifice of the port.⁷⁴ This continued to be a problem into 1900, when an American Consul in Beirut wrote,

⁷³ Kassir, *Historie*, 119.

⁷⁴ Brant William Downes, *Constructing the modern ottoman waterfront*, 115.

It should be remarked that Beirut did not share equally with the rest of the country in the growth of the import trade. The local Societe Imperiale Ottoman du Port, des Quays et des Entrepots de Beyrouth, a French corporation which built the famous Beirut harbor some ten years ago, levies such heavy tributes on shipping and merchandise that much of the trade that formerly centered in Beirut as a distributing point for nearly all of Syria and Palestine, now seeks other ports of entry.⁷⁵

Clearly, the port authority was unable to reach a détente between lowering its fees and being able to make a profit after the enormous expense of building the new port, which resulted in a rejection in the use of the port by some merchants if they could find another port or a means to smuggle their goods ashore. The balance between tariffs and demands for free trade were a repeated theme the he negotiation between the merchants, the port company and the state into the 1930s.

Despite the continuing problems posed from balancing revenues with tariffs, the port propelled Beirut into a place of centrality in the region, a decade after the Ottoman government approved Beirut's petition to become a regional capital in Greater Syria in 1888.⁷⁶ However, Beirut's move into a central place of the Levant was primarily an economic one. First the lazaretto made Beirut a fixed point of commerce in the Levant, literally a 'must-see' stop for ships entering the Levant. The growth of foreign trade caused the rise of a merchant class that was increasingly internationally oriented. This merchant class understood the importance of Beirut's place as a central node for trade, and worked with French investors to make it the only stop on the roadway to Damascus. Furthermore, local merchants understood the importance of Beirut as a gateway between

⁷⁵ G. Bie Ravndal, American Consul, Beirut, October 27, 1900. *Commercial Relations*, 1900, vol. 1, p. 1115 in Ozveren, "The Making and Unmaking of an Ottoman Port-City," 180.

⁷⁶ Hanssen, *Fin de Siècle Beirut*, 25.

the east and the west, petitioning the Ottoman Sultan to allow for a port concession that would privilege the growth of local Beirut commerce over economic competition between the Ottoman state and French economic incursion. Their successes made Beirut the largest port city in the Levant by 1900.

But although Beirut imagined itself as an urban capital, it did not yet achieve unquestioned supremacy over the region. The port cities continued to be an important site of competition between commercial interests, especially between the British and French infrastructure and transportation companies which entrenched their investments along the coast in the late nineteenth and early twentieth centuries.⁷⁷ The culmination of European involvement in the Levant would come with the creation of the Mandatory governments of Britain and France after World War I.⁷⁸ After the establishment of the Mandates, the local businesses negotiated paths of influence with the French Mandatory administration rather than the Ottoman government, and Beirut competed not with Sidon or the hinterland, but with the southern coastal town of Haifa.

SECURING THE RAILWAY (1870-1920)

After the establishment of the new port in Beirut, the Beirut elites continued to negotiate to push Beirut to the center of transportation projects. In the case of

⁷⁷ Between 1890 and 1915, Europeans invested about 13.5 million French Francs in the Beirut Port, and over 79.6 million French Francs in various European controlled railway projects, including the Beirut-Damascus railway. See: Carolyn Gates, *The Merchant Republic of Lebanon: Rise of an Open Economy* (Oxford: Centre for Lebanese Studies in association with I.B. Tauris Publishers, London, New York, 1998), 18.

⁷⁸ The British Mandate of Palestine encompassed the areas of Palestine and Transjordan (current day Israel, Palestine and Jordan). The French Mandate of Syria and Lebanon encompassed the areas of the State of Damascus, Greater Lebanon, Jebel Druze, the Alawite State, the State of Aleppo and the Sanjak of Alexandretta (current day Lebanon and Syria).

establishing railways in the Levant, Beirut competed with several other cities in an attempt to secure the contracts for Beirut. Despite the existence of the port, Beirut was not the most logical city to concentrate regional links in. The mountain barrier between Beirut and the agricultural areas of Greater Syria and Damascus presented a significant challenge to any rail link. Beirut's centrality was by no means assured during the early twentieth century, and European developers continued to look for other potential sites of development. Beirut merchants and French investors fought to continue Beirut's accumulation of regional trade routes, and to secure the railway concession for Beirut.

In the late 1880s, numerous investors looked at the possibility of opening up the Levant to railway exploitation. With their new port built, Beirutis in the growing town of 100,000 were well aware that developing swift land connections to the interior was an essential next step to securing Beirut's economic interests on the coast.⁷⁹ As early as 1884, the Beirut-born Chief Engineer in the province of Syria, Bishara Dib, advocated for local participation and involvement in promoting Beirut as a railway stop. He wrote to the governor general in Damascus, "We cannot wait until the foreign capitalists take over, we need subscription committees in Beirut, Damascus and elsewhere to raise a good part of the necessary money."⁸⁰ While Dib attempted to galvanize the Beirut merchants into pooling their money, the elites of Tripoli also organized a fund in an attempt to secure a railway contract for their own city. French-born investor and engineer Edouard Coze (who previously was an administrator at Credit Franco-Egyptian

⁷⁹ Fawaz, *Merchants and Migrants*, Table 1, 189.

⁸⁰ "Report of the Chief Engineer of the Province of Syria," Beirut, 7 July 1884. Quoted in Hanssen, *Fin de Siècle Beirut*, 93.

and the Gas Company of Beirut), wanted Tripoli as the terminus of a rail line that connected to Aleppo, Hama and Hama.⁸¹ The Tripoli line never got past the planning stage, but the more serious threat came from the British investor Lawrence Oliphant who developed a plan for a Damascus-Haifa railway link. Haifa did not possess a port the size of Beirut's, but in the late 1870s, the Ottoman government succeeded in building roads and carriageways that linked Haifa to the other significant urban centers in Palestine (like Nazareth and Acre), and to the agricultural interior.⁸² Furthermore, the route to Haifa would pass directly through the Syrian agricultural plains of Hawran, and would not have to contend with the Lebanese mountains. The introduction of Haifa as an alternative immediately caused the concern that port traffic for the agricultural exports of the Levant could be lost to the south.

Additionally, the Sublime Porte was predisposed towards giving the concession to Haifa. After the development of the port of Beirut under de Perthuis, the Ottoman government planned to build a major port at Haifa to counter the rise of Beirut. Although Beirut was officially still a part of the Ottoman Empire, officials realized that the transportation infrastructure there had slipped out of their control after the port concession, and the port served local Beirut and European investment interests rather than Ottoman concerns.⁸³ Fearing for the security of the Levantine coastline, and

⁸¹ Jacques Thobie, "Intérêts économiques, financiers et politiques dans l'Empire Ottoman (1895-1914)". *Le Mouvement Social*. (86: 43-53, 1974), 170.

⁸² Ruth Kark, *The Land That Became Israel: Studies in Historical Geography* (New Haven: Yale University Press, 1990), 69.

⁸³ Rashid Khalidi, *British Policy Towards Syria & Palestine, 1906-1914: A Study of the Antecedents of the Hussein - the McMahon Correspondence, the Sykes-Picot Agreement, and the Balfour Declaration* (St Antony's College, Oxford: Ithaca Press, 1980), 62-66.

attempting to get a foothold on maritime trade within their borders, the Ottoman government planned a significant commercial port at Haifa. In the decades that followed, just as the Ottoman government had been unable to invest in and execute a port at Beirut earlier, it failed to launch a Haifian port as well. At the moment of deciding the railway concession, the Sublime Porte saw Haifa as an attractive alternative to the concentration of resources in French hands in Beirut, and construction on a Damascus - Haifa line started in 1892.⁸⁴

The head of the port investment, de Perthuis, saw any investment in Haifa as a potential menace to the fortunes of his port being constructed in Beirut, and rallied to counter the proposal with a Beirut-Damascus rail line which would parallel his roadway. However, de Perthuis and his front companies could not secure the Beirut-Damascus line due to British maneuvering and the refusal of the Sublime Porte to concentrate all the contracts in his hands. Fortunately for de Perthuis, the merchants of Beirut also saw the rail link to Haifa as a danger to the fortunes of their city, even as they had successfully begun construction on their port. The start of construction on the Damascus-Haifa line mobilized the local elites of Beirut to action. Just as with the port concession, the amount of capital needed for a major infrastructure project far outstripped the Beirutis' ability to raise the money themselves. Beirut elites quickly realized the impossibility of paying for the rail line, and focused on their ability to influence and petition the Sultan. To organize their negotiation with the state, the municipal council met at the house of the powerful merchant Muhyi al-Din Bayhum in February 1890. The Bayhums were one of the few

⁸⁴ Fawaz, *Merchants and Migrants*, 71.

Muslim families who had been able to tie their business to European merchants and make their fortune. An entrenched family in Syria and Lebanon, they had been local merchants and landowners for some centuries. When foreign trade expanded, the Bayhums had their hand in buying and selling an assortment of goods such as grain, spices, cotton, and most profitably, silk.⁸⁵ With their vast fortune, the members of the Bayhum family often served on the municipal council and were respected among the city merchants. Bayhum brought the council together to develop a plan of attack. The local merchants and elites knew their personal capital would never make up enough money to build the railway, and the coffers of Beirut were tapped out on the municipal budget. Unable to get a rail line through capital investment, the Bayhum family focused on simply securing the concession from the Sublime Porte without worrying about how to fund the project later. From 1889-1892, they sent telegraphs to the Sublime Porte, warning that they feared that the rise of Haifa would adversely affect Beirut's fortunes.⁸⁶ They furthermore pointed out that the Haifa railway would pass through land owned by the Sultan, attempting to cast the rail line to Haifa as a challenge to the Sultan's control over the interior of the Levant.⁸⁷

Knowing from their experience with the port concession that their pleas to the Sultan might not sway him to the side of Beirut, the merchants and the Bayhum family went directly to de Perthuis. With the blessing of the municipal council, Bayhum allied with de Perthuis to develop another front-man operation, like the one that had succeeded

⁸⁵ Fawaz, *Merchants and Migrants*, 97.

⁸⁶ Quoted in: Ozveren, "The Making and Unmaking of an Ottoman Port-City," 169, Ft. 46.

⁸⁷ Hanssen, *Fin de Siècle Beirut*, 94.

with Joseph Moutran and the port concession. In 1891, de Perthuis' Compagnie de la Route Beyrouth-Damas created the Société Ottomane de la Voie Ferrée Économiques de Beyrouth à Damas, and put Hassan Bayhum at the head of the company. The Société de la Voie Ferrée de Beyrouth à Damas' engineers quickly drew up plans for a route over the mountains to Beirut that Bayhum could present to the Sultan as an alternative to Haifa. The incessant lobbying from Beirut and the appearance of handing the concession to an established Beirut family successfully convinced the Sultan to accede to a railway concession.

On 3 June 1891, the Sultan handed Hassan Bayhum and his company the concession for a railway on de Perthuis' original plan. Bayhum immediately sold the concession and 'his' company, Société Ottomane de la Voie Ferrée Économiques de Beyrouth à Damas, to de Perthuis, who re-merged it with the Compagnie de la Route Beyrouth-Damas. At the same time, Joseph Moutran was able to secure a concession to a Damasucus-Hawran rail line as the front man to yet another company, Société Ottomane de la Voie Ferrée Économiques de Syrie.⁸⁸ In 1893, de Perthuis' Compagnie de la Route Beyrouth-Damas conglomerate merged with Joseph Moutran's company to create Société Anonyme Ottomane des Chemins de fer de Beyrouth-Damas-Hawran en Syrie. Finally, after all of these deceptive stratagems, de Perthuis held four separate road and rail concessions under one single conglomerate which could now build a railway route between Beirut to Damascus and down to Hawran's grain rich plains.

⁸⁸ Kassir, *Histoire*, 120.

It is unclear if the Sublime Porte was actually fooled by de Perthuis' brand of smoke and mirrors, or if Istanbul truly believed that the concessions were all reaching different hands. Several things are clear though; the first being that lobbying of the Sultan by the native elite for a concession was ultimately successful in securing an imperial firman where de Perthuis had failed. The second was that the Beiruti notables were galvanized by the possibility of the threat of the railway to Haifa, fearing that the loss of Hawran's agricultural crop to the south would be a blow to their new port. Thirdly, the Beiruti merchants were fully cognizant that they were concentrating all the economic power in de Perthuis' hands, but found this infinitely more amenable to losing out to Haifa. And finally, it is clear that the railroad was not a profitable venture, but a political one. In the early years of the railroad, it operated at a considerable loss.⁸⁹ This is not all together surprising, considering that both the railroad and the port opened within a few years of each other, before the market for grain exports had a chance to catch up to the supply. But both the local elites and de Perthuis were already playing the long game, and realized that they needed to move to secure the concession before Haifa or any other city had the opportunity to divert the flow of regional trade in the Levant.

After World War I, and the dissolution of the Ottoman Empire, these basic competitions and internal negotiations continued in the region, but under new borders. When the European powers redrew the borders of the Middle East in preparation for the mandatory governments, they dissolved the province in which Beirut had been the regional capital, and established the French Mandate of Syria and Lebanon. The Vilayet

⁸⁹ Thobie, "Intérêts économiques," 164.

of Beirut was split between the British and the French powers, and the French Mandate established the state of Greater Lebanon on 29 August 1920. The city of Haifa was removed from Beirut's provincial administration and placed under British Mandatory rule. While the resource competition was the same as in Ottoman times, under the Mandatory powers the economic competition became direct governmental competition between the Mandatory governments of Britain and France.

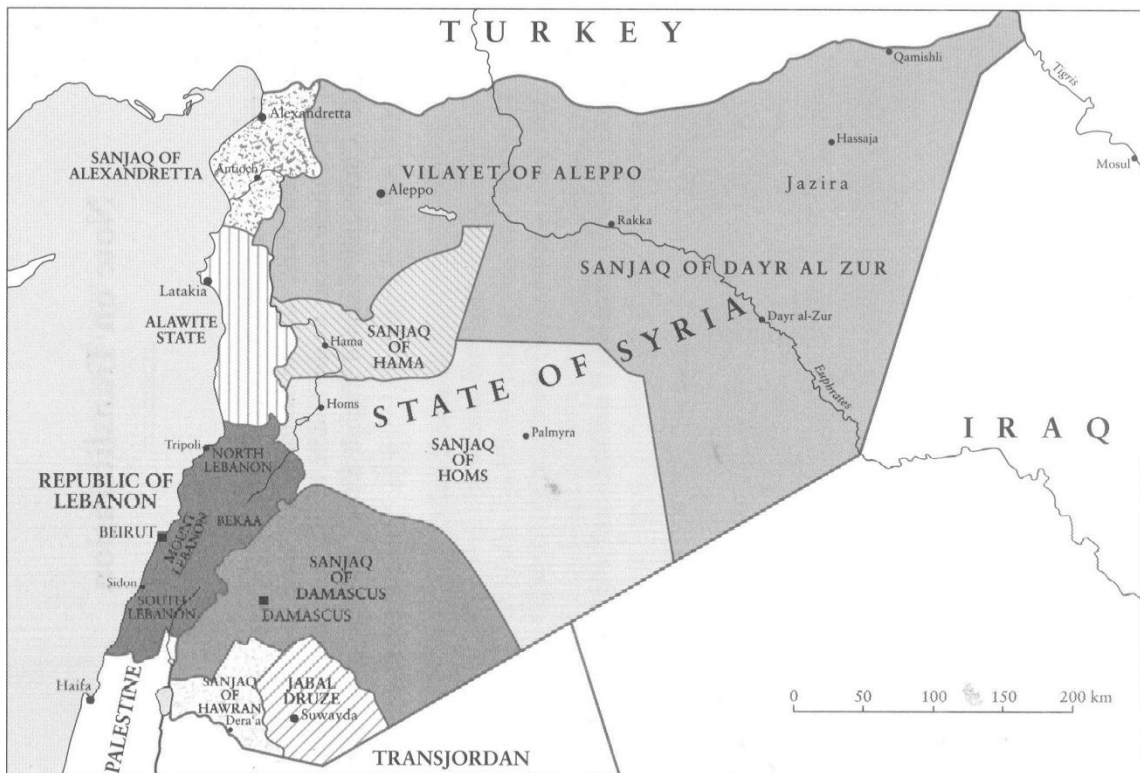


Figure 4: Syria and Lebanon during the French Mandate, circa 1930.⁹⁰

⁹⁰ Shambrook, *French Imperialism*, xii.

Chapter 2: The Rise of Haifa (1918-39)

In the early years of the British Mandate, the city of Haifa would have been generally recognizable to a resident who had lived there one hundred years before. But from 1918-1939, the demographic and physical character of the city rapidly and suddenly changed.⁹¹ Although Haifa possessed a natural harbor with proximity to an agricultural hinterland, it lacked a significant population before the twentieth century, meaning the development of the port infrastructure came later than other Levantine shipping centers.⁹²

While the city population grew internally due to improved conditions of health and sanitation, the most significant reason for this change was the swift migration and emigration into the city of Haifa. Official census records put the population of Haifa at 24,634 in 1922 and 50,403 in 1931, showing that the population had almost doubled in less than ten years.⁹³ The immigrants were made up of Muslim migrants from the rural agricultural areas of Palestine and Jewish immigrants from Europe, especially from Poland and Germany. These new Jewish immigrants drastically changed the composition of the city. Haifa was a city with mixed confessions since the nineteenth century, inhabited by a large European Christian population and a small Sephardic Jewish population. In the twentieth century, the proportions of Jews in the city grew rapidly; Jews made up one fourth of the population in 1922 and one third in 1931. The immigrants who headed to Palestine legally and illegally were usually educated and financially stable enough to make the journey. In this prewar period they could bring

⁹¹ Seikaly, *Haifa: Transformation of an Arab Society 1918-1939*, 47.

⁹² Seikaly, "Haifa at the Crossroads," 96.

⁹³ Seikaly, *Haifa: Transformation of an Arab Society*, 49.

their money and assets with them, and were able to reestablish themselves in the growing town of Haifa, changing the historic demographic and economic distribution.

The Jewish immigrants to Haifa were able to use their personal capital and the support network of the Zionist Organization to establish themselves in the industrial sector of Haifa. More aptly, the immigrants created the industrial sector in Haifa, which had not been a significant part of the Haifan economy before World War I. Although both the town and the transportation network grew under Ottoman rule, agricultural goods were Haifa's only export, and the city was a classic case of exporting raw materials while importing European manufactured goods through the port.⁹⁴ Through private investment in the sectors of construction and industry, Jewish immigrants were able to develop a solid industrial platform in Haifa. These new sectors quickly surpassed the existing Arab industry which was based on supply lines and economic relationships recently put under stress by the new Mandatory borders.⁹⁵

The British Mandate quickly realized the possibilities of the new Jewish industrial sector and encouraged its economic growth. Throughout the 1920s, the British Administration coordinated with the Zionist Organization in developing protection measures for the new industries. The Department of Trade and Industry enacted tariff protections and customs exceptions for the nascent industrial sector. These policies resulted in a higher cost of living in Haifa, but the British authorities considered this an acceptable tradeoff, as they believed it would encourage the modernization of the city.

⁹⁴ Seikaly, "Haifa at the Crossroads," 105.

⁹⁵ Seikaly, *Haifa: Transformation of an Arab Society*, 82.

As private Jewish enterprise caused Haifa's economic growth, the British government was able to move forward with its plans to make Haifa a central node of communication and transit on the coast. The British authorities had long since identified Haifa's potential as a central transit point. By 1905 the Hejaz railway linked Haifa to Dera'a, an extremely important connection for Haifa's economic fortunes as it allowed swift transportation of the grain from the agricultural plains south to Haifa.⁹⁶ After British investors' early interest in developing the rail lines to the city and the completion of the line of the Hejaz line, the War Office had noted the possibilities for a deep water port as early as 1906. During the late war years in 1917 and 1918, the railway set down by the Expeditionary Force linked Haifa to the Palestinian rail system, strengthening its internal transit routes in Palestine.⁹⁷

The British government envisioned Haifa as an essential part of their modernizing and civilizing project, announcing in 1919 that Haifa would attain "the highest degree of civilization" under the auspices of the British mandate.⁹⁸ As reported by a French official in Jerusalem, Sir Herbert Samuel summarized the British government's favorable view towards Haifa in a 1925 public statement rejecting the idea of constructing a port at Jaffa.

"The residents of Jaffa," declared Sir Herbert Samuel, "base their request on the fact that trade in their city is now considerably more considerable than that of Haifa, and its population develops rapidly. But Haifa possesses the great natural advantage of a partially sheltered bay. Despite the adage that faith moves mountains, even that of the Jaffans in their city's future, cannot carry a Mount

⁹⁶ May Seikaly, "Haifa at the Crossroads," in Leila Fawaz, C. A. Bayly, and Robert Ilbert, *Modernity and Culture: From the Mediterranean to the Indian Ocean* (New York: Columbia University Press, 2002), 103.

⁹⁷ Seikaly, "Haifa at the Crossroads," 103

⁹⁸ *Palestine News*, 30 March 1919 as quoted in Seikaly, "Haifa at the Crossroads," 103.

Carmel to house their harbor. Secondly, we must remember that Haifa has the hinterland of Syria, Transjordan and even Iraq.”⁹⁹

For the British government, geography and the potential of exponential growth trumped the current economic stability of Jaffa. Despite these lofty plans for Haifa, the Mandatory government found it extremely difficult to move forward with any significant public works projects, seeing as Palestine did not produce significant revenue for the Empire.¹⁰⁰ Considering the economic situation of the 1920s and the strapped budget of the Palestinian government, there was no way that the state budget could fund such a large-scale project.¹⁰¹

What occurs in Haifa draws an indirect parallel to Beirut’s struggle to develop a port. The Mandatory government could not fund a port, and without financial backing, the Crown refused to invest in the project. Instead of the established Arab merchants who organized to petition for a port in Beirut, the Jewish Haifan merchants saw that a modern port could significantly improve the industrial sector in Haifa, and were eager to benefit from such a large construction project. Prominent industrialists and businessmen joined together under the umbrella of the Zionist Organization to present their proposal and arguments for a port to the governor of British Palestine. With the influx of Jewish capital and the development of a growing industrial sector, the Mandatory power was able to argue in the corridors of Whitehall that investing in Haifa could help turn

⁹⁹ Note that this is translated from the French report, and not an exact report of Sir Herbert’s words in English. It also should be noted that the French official was extremely peeved that Sir Herbert described French-held Syria as “Haifa’s hinterland.” M. Vasselet, *Bulletin de Renseignements* no 120, 9 Feb 1925, Box 181, MAE-Nantes.

¹⁰⁰ Seikaly, *Haifa: Transformation of an Arab Society*, 74.

¹⁰¹ Lt. de Feriet to High Commissioner, Information au sujet d Port de Caiffa, November 1927, Box 708, MAE-Nantes.

Palestine into a profitable possession for Great Britain, and that it would encourage modernization and civilization in Palestine by establishing European investors there. Through these tactics, the Mandate was able to secure a significant loan from the Crown. In 1926, Parliament raised a substantial loan under the Palestine and East Africa Loans Act which allowed the mandatory powers to consider significant infrastructure projects.¹⁰² With the cash in hand, the British Administration moved forward with a new project: the construction of a modern port.

The port of Haifa opened in 1933, after planning and construction starting in 1929 and totaling £1,250,000 pounds sterling.¹⁰³ The new port was everything that the British Authority could have wanted from a modern facility. Previously, the harbor had been unable to accommodate sea-faring vessels, meaning that they had to dock a kilometer or more from shore.¹⁰⁴ But the new port had a massive breakwater that created 300 acres of sheltered water, with 90 acres of dredged water, allowing large ships to dock within the breakwater.¹⁰⁵ Investors, engineers and naval officers admired the new edifice, and the European shipping companies were duly impressed how easily the port accommodated large ocean liners.¹⁰⁶ The October 1933 opening of the port was a triumphant affair, attended by numerous foreign dignitaries, including representatives from the French Mandate of Syria and Lebanon. The speeches and the program of the ceremony crowed

¹⁰² Official Program for the Ceremony of the Opening of Haifa Harbour, 31 October 1933, Mandate Syrie-Liban, Box 708, MAE-Nantes.

¹⁰³ Ibid.

¹⁰⁴ Ibid.

¹⁰⁵ Ibid.

¹⁰⁶ M. Grapin, Consul de France a Caiffa à Les Minister des Affaires Etrangeres, 30 November 1933, Mandate Syrie-Liban, Box 708, MAE-Nantes.

over Haifa's accomplishments. The program for the ceremony emphasized the rapid population and economic expansion Haifa had undergone in the last decade, and stressed Haifa's new place as a transportation center, with railway links to Trans-Jordan and Syria and "a network of good roads" that linked it with the interior of Palestine and Syria.

The opening of the port of Haifa also provided an opportunity to draw attention to the influence of European Jews on the economy. The pro-Zionist newspaper *The Palestinian Post* connected Haifa's new port with region-wide modernization. This push towards industrialization and modernization came mostly from the Jewish immigration into Palestine, claimed the *Post*. The author went further, saying "The Report issued by the French Government on Syria and Lebanon for 1932 states that it was primarily the building of a modern industry by the Jewish immigrants which led to a similar movement in Syria."¹⁰⁷ By emphasizing this conclusion, the *Post* places Jewish immigration as an important economic force region wide. But more than this, the European Jews become the means to shock the Middle East towards modernity.

In speeches, M. Nathanson, the president of the Jewish run company which constructed the port emphasized the support of Arab businessmen for Jewish immigration.¹⁰⁸ He focused on the benefits of new business for the economy of Haifa as a whole, and presented the port as a joint Arab and Jewish endeavor. He told his crowds that while in 1932 the Municipality of Haifa granted 458 construction permits, due to the

¹⁰⁷ *The Palestine Post*, 31 October 1933.

¹⁰⁸ *Le Commerce du Levant*, 21 February 1934.

immigration and economic boom, the number of permits rose to 1,210 in 1933.¹⁰⁹ While Nathanson touted any economic growth as beneficial, the reality of Arab business attitudes towards the new émigrés was much more complex. Although Haifa's growth created a booming economy, it also raised the cost of living, pushing the less wealthy out of the city center. Nathanson waved in numbers the air to support his points, but neglected to mention that construction business was generally dominated by new Jewish companies, staffed with highly paid Jewish experts and lower wage Arab laborers. The new construction contracts cemented ties between Jewish business and the British government centralizing the business development, and pushing aside old lines of negotiation for the Arab businessmen. Arab support for the port was tenuous; although it brought construction jobs, but also solidified Jewish control of the new infrastructure in the city. Despite these complications, the British and Zionist interpretation of events was a progressive narrative: although the region had previously been mired in technological stagnation, the influx of European immigrants allowed the region as a whole to begin the march towards modernity, a march symbolized by the logo of the Levant fair: a flying camel.¹¹⁰

The success of Haifa's new harbor was furthermore recast as an expected and prophesied moment in the Zionist march of progress. An article in their "Haifa Harbour Supplement" unearths a book written by Theodore Herzl, one of the founders of the Zionist movement. In his novel "The Old New Land," written in 1902, a young Viennese

¹⁰⁹ Ibid, 21 February 1934.

¹¹⁰ *The Palestine Post*, 31 October 1933.

Jewish lawyer visits Haifa Bay in 1923 after a ten-year absence, and is shocked by its revolutionary transformation. “A magnificent city had been built beside the sapphire blue Mediterranean. The magnificent stone dams showed the harbor for what it was: the safest and most convenient port in the eastern Mediterranean.”¹¹¹ In Herzl’s imagining, he predicts the development of a port of Haifa created through Jewish entrepreneurship which would propel the city to modernization. By excerpting Herzl’s book the *Post* is recasting the opening of the port as part of the fulfillment of the Zionist dream. It is both a self-congratulatory message to the Jews of Haifa, and encouragement to continue building a homeland in Palestine.

Analogous to Beirut, the port in Haifa was constructed due to a local alliance between Jewish Haifan businessmen and the British mandatory government. They combined British imperial financing with local industry to negotiate for a loan from the British central government and push forward infrastructure development in Haifa. Due to previous infrastructure developments under the Ottomans, and improvements under the British, the new port could access the ‘hinterland’ of Syria and Hawran. Haifa’s regional links into the trade systems of the Levant combined with its new ability to accommodate long-range trade in the Levant challenged the lines of trade which Beirut believed it had secured and which the French mandatory government profited from. The consolidation of trade lines in Haifa was a shrewd move in terms of empire competition, inter-city competition and economic competition, and one which left Beirut floundering.

¹¹¹ “The Old New Land,” as quoted in *The Palestine Post*, 31 October 1933.

THE THREAT OF HAIFA (1929-1933)

While Haifa built their port, Beirut suffered economically. In the 1930s, both Palestine and Lebanon felt the effects of the Great Depression. Palestine and especially Haifa felt the effect less keenly, seeing as the economic drop was somewhat ameliorated by the immigration of European Jews and the subsequent growth in the industrial sector. Lebanon, on the other hand felt the full force of the world-wide depression, as it hit a number of Lebanese economic sectors.

A large part of the Lebanese economy depended on remittances from the Lebanese emigrants in North and South America. Lebanese workers had been going to the Americas since the late Ottoman period, and sent a large portion of their wages back to their families in Lebanon, money that represented a substantial influx of capital into the local economy. In 1920-26, the total average annual remittances were FF 30 million, an impressive sum which went directly to their families without taxes from the state.¹¹² During the depression, jobs in the Americas dried up, especially for working class immigrants. As the Lebanese abroad struggled to make ends meet, the money they sent back home dwindled.

Agriculture in greater Lebanon had steadily declined since the turn of the century, the traditional Lebanese silk industry dropped as synthetic European fabrics gained popularity among consumers. Western manufactured goods threatened traditional industries such as silk and other textiles, and the farmers on Mount Lebanon were unable to restructure their production to survive in this new globalized economy. The silk

¹¹² Gates, *Formation of the Political Economy*, 28-34.

industry had been decimated by World War I, and the French government had attempted to revive the failing industry after gaining Mandatory control of the territory. This effort was somewhat successful; in 1910-11 Greater Syria exported 400 tons of silk, and with French help the silk production slowly recovered until it was at 387 tons in 1929.¹¹³ But with the worldwide recession, the demand for luxuries such as silk completely bottomed out. In 1933, Greater Syria only exported 106 tons of silk, indicating a drastic reduction in production and demand. Besides silk, which was one of the most lucrative exports from Lebanon, other agricultural sectors were also hard hit due to a drought in 1932 which severely impacted olive production. Producers in the hinterland were looking at a potential country-wide agricultural crisis.

Trade to Syria and Lebanon in general was also severely affected by the depression. Imports to Syria and Lebanon were at FF 726 million in 1929 and FF 339 million in 1936, slashing trade into Beirut by almost fifty percent. Export trade went from FF 255 million in 1929 to FF 156 million in 1934. The losses in trade hit Beirut hard, as many of her fortunes still rested on income, taxes and tariffs from the port. As the ships stopped coming, merchants lost their livelihood and companies had to shut their doors.

The economic pressure resulted in increased migration from Mount Lebanon to Beirut, as farmers became workers in search of jobs. As mentioned, Palestine had seen a similar pattern of migration, but the migrants to Haifa were able to find jobs in the industrial and construction sector. Lebanese moving into Beirut found no such growing

¹¹³ Gates, 36-9.

businesses, and in this case, and those coming from the countryside in search of better employment only added to the growing demographic pressure in Beirut. While the French had worked to build up the city center, the working class could not afford the downtown rents, and so began cramming into unregulated housing on the periphery of Beirut. As the working class grew, wages dropped, and the standard of living of the middle and working class fell just as Haifa was raising its standard of living with their large middle class influx.

Tourism also took a dive, as middle and upper class travelers found that they could no longer spare disposable income for a trip to Beirut. The tourists who had come through the port of Beirut to stay at the new European style hotels and to walk across the corniche could no longer be found on the streets of Beirut. There was a slight rise in tourism from Palestine, because the successful European Jews who lived there could spare the money to travel north. Yet this trickle of tourism could scarcely make up for the thousands of tourists from Europe and Egypt who could no longer make the longer trip by boat.¹¹⁴

The results of these economic downturns may superficially look like just another instance of the worldwide depression. Yet, the effects in Beirut added up to something altogether more problematic than simply an economic slump. The port and the railroad were completed just at the turn of the century. In the first operational years of both projects, they ran at a loss, and then the economic progress of the city was cut off by World War I. In the 1920s, Beirut had just found its footing economically and benefitted

¹¹⁴ Gates, 30.

from steady operation in the port and the rail lines. The city slowly lived up to its reputation as a modern center for culture and trade. Suddenly, as the city started to define itself as a center of the Levant, the port lost a great deal of its trade due to the depression, the tourism which had imported French culture dropped off, and workers from the Mountain moved in, exacerbating class and secretarian tensions. So when the Beirutis looked south and witnessed the rise of Haifa, this was not seen merely as a momentary setback, but a serious crisis. In conjunction with the economic pressures, Haifa's new port looked like it could permanently unseat Beirut as the main port of the Levant.

Haifa's success at building a new port underscored the inadequacies of Beirut, and threw the French authorities and the Beirutis into a panic. As during previous transportation conflicts, the merchants and municipal council led the charge, and the press put the problem into the public conversation. The threat to Beirut was conceived in dire terms. It was an economic menace that could unseat Beirut as the central port of the Levant, and this was the opening move to a monopoly of desert transportation that would allow the British to control the route to India and eventually China.¹¹⁵ To kick off the media frenzy that followed the opening of the port of Haifa, *Le Commerce du Levant* ran a four article series on "The Inauguration of the Port of Haifa and the War of Transdesert Transportation." In this series, the question of Haifa being a threat was rhetorical: "What is indeed the *raison d'être* of the port of Haifa, if not to replace the port of Beirut, to ensure that England has the control and command of the major routes in Asia and are the

¹¹⁵ *Le Commerce du Levant*, "L'Inauguration du Port de Caiffa et la Guerre du Transport Transdésertique," 14 October 1933.

heads of transcontinental lines?” asks the first article.¹¹⁶ Other newspapers echoed this, imagining that the rise of Haifa could be viewed as nothing else than a direct threat to the prosperity of Beirut.¹¹⁷ Only a month after the opening of the port of Haifa, *Bassir* claimed “Already, the flow of commerce seems to be turning away from Beirut in favor of the new port of Haifa.”¹¹⁸ Beirut’s newly gained position of supremacy could easily dissolve leaving her as a secondary port in the Levant. To the Beirut press and merchants this was unthinkable; if Beirut was not the finest, most advanced, most fabled city on the Mediterranean, she was nothing.

This situation was conceived of as a personal failing by the city. Beirut has the better port, better routes and geographical situation, claimed *Le Commerce du Levant*.¹¹⁹ The author of the series laments that with these advantages, all Beirut needed to do were to maintain the status quo, but instead had become complacent and the British surpassed them in only a few short years.¹²⁰ “Beirut has lost enormously in importance, while Palestine worked energetically to improve the economic situation, in Syria and Lebanon we were occupied with issues of the presidency, the deputyship, ect.”¹²¹ These self-admonitions point to the innate understanding of cultural and economic superiority the Beirutis had. Beirut *should* be the primary port of the Levant because that is what she had created for herself with the port, the railways and the merchant’s ability to draw

¹¹⁶ Ibid.

¹¹⁷ See: *Journaliste Errant, Lissan al-Hal , Moattem*

¹¹⁸ *Bassir*, 18 November 1933.

¹¹⁹ *Le Commerce du Levant*, “L’Inauguration du Port de Caiffa et la Guerre du Transport Transdésertique: III – Si nous voulons sauver le Damas-Bagdad,” 25 October 1933.

¹²⁰ Ibid.

¹²¹ Ibid.

foreign investment. “In a few years,” *Le Journaliste Errant* noted with disgust, “it is not impossible that the port of Beirut will resemble Tyre and Sidon.”¹²² There was also a deep cultural anxiety that Beirut was slipping from her place due to her lack of drive and ability.

The loss of the position of supremacy was not viewed as completely Beirut’s fault, however. A number of the articles were infused with the feeling that this rise of Haifa was simply unfair within the context of its historic city competition. It was not only that the natural balance of the ports cities has been upset, but it had occurred on a rigged playing field. The newspapers claimed that the company given the port contract, the Nathaniel Company, was an unfair competitor. Nathaniel Transport enjoyed financial backing by the British Mandate, due to the substantial loan from the Crown. Therefore, Nathaniel did not have any significant financial risk. Attempting to compete with these companies was unfair, the newspapers claimed, because private Lebanese companies cannot compete against the British state. The new construction contracts which M. Nathanson claimed exemplified cross-confessional Haifan growth represented unfair business practices to the Lebanese, much like they did to the Palestinian Arabs who were being pushed out by the new Haifan industry.

While it may appear that the Beirut press was simply finding any possible complaint to push for action on the port, this complaint of unfair competition had deeper roots. By giving the contract to the Nathaniel Company, the British mandate had engaged in a bit of smoke and mirrors themselves, similar to de Perthuis’ multiple fronts.

¹²² *Le Journaliste Errant*, 23 October 1933.

When the British government in Palestine first announced the construction of the port of Haifa, they claimed that it would be constructed by the Service of Public Works of the British government, using the money from the Palestine and East Africa Loans Act.¹²³ A number of nations, including Germany and Italy immediately protested that the project exceeded the powers of the British mandate.¹²⁴ It should be remembered at this point that a mandate was technically not a colony. The mandate was a specific legal term referring to territories controlled by European countries after World War I. These territories had previously been controlled by the German Empire or the Ottoman Empire. Following the Allied victory, these areas lost their sovereignty and control of their territory was transferred to the mandatory powers under the 1919 Treaty of Versailles. The mandate was therefore a technical legal term defining extent of the controlling power's influence that could be adjudicated in an international court. Officially, the mandates of Syria and Palestine were supposed to be a temporary situation until the territories were ready to become a country, introducing an independent nation where none had existed before. In reality, the mandates were run more like colonies than fledgling nation states, and the mandatory powers attempted to extract revenue from their holdings. By constructing the port of Haifa under a government department, instead of encouraging private local development, the British rather crassly exposed the reality of the economic extraction from the mandates. Legally, the Mandate Charter had provisions for equal economic treatment for all nations, so instead of building the port themselves, the British should

¹²³ Le Consul Général de France à Jerusalem à M. le Ministre des Affaires Etrangères, report #14, 19 March 1929, Mandate Syrie-Liban, Box 708, MAE-Nantes.

¹²⁴ Ibid.

have put up the project for public bidding.¹²⁵ The Italian and German governments quickly called foul, attempting to block British economic development on the basis that they had exceeded their rights as a mandatory power. In response to the international outcry, the British neatly sidestepped the issue, giving the contract to Nathaniel Transport, a company that had extremely close ties to the Zionist Organization and the Palestinian government. This allowed the British government to avoid legal trouble, and Nathaniel Company to build the port with complete economic security.

While the Beirutis zeroed in on Nathaniel Transport as the target for their ire at this time, this complaint indicates larger sources of frustration and anxiety for the Beirut merchants. The first source of frustration was that they perceived a general imbalance in the French and the British treatment of economics and commerce between the two mandates. As previously mentioned, the British administration coordinated with the Zionist Organization throughout the 1920s to encourage industrial growth in Haifa. In contrast, the French government did little to encourage significant economic growth, and usually left the development of public works to French run companies. This was both a continuation of the French mode of doing business in the Levant under Ottoman rule, and also an indication of the French Mandate's preoccupation with security of the mandate over economic growth. The Beirut merchants felt that they had been neglected, and that the tariffs on the port traffic caused an excessive burden on the commerce of the city. Haifa was a free port, and able to attract significant commerce because they could offer lower rates than Beirut. Beirutis therefore blamed the French Mandatory powers for

¹²⁵ Extrait du B.R. No. 6 de Jerusalem, 15 March 1929, Mandate Syrie-Liban, Box 708, MAE-Nantes.

putting them in an inferior situation in relation to Haifa, while the British Mandate helped their competitors to the south.

Newspapers raised alarmist concerns that Beirut would be cut out of future transportation project, because of neglect by the Mandate. *Al Bassir* newspaper reported that the Air France intended to establish a central aerodrome in Damascus, cutting out Beirut on the route to Iraq and Persia.¹²⁶ They furthermore claimed that the British government in Cairo was sponsoring a new airfield in Haifa, while the French government had allowed Tripoli instead of Beirut to secure a contract for a new airport.¹²⁷ *Lissan al-Hal* took an even more alarmist view, hinting the war for desert transportation would soon be an armed conflict. The British seemed to be developing joint transportation and military masses, claimed *Lissan al-Hal*, Aquba was now a land base, Amman an air base and Haifa a naval base.¹²⁸ All of these reports had a thread of truth in them, but cast any development in a city outside of Beirut as a most dire threat. The editorialists believed that Beirut's future economy could dissolve due to this momentary decline in fortunes. This alarmism seemed to slip into full and unjustified panic in only a few months.

The outcry against the French administration was not a recent development, but had been building steadily during the recession. During the 1920s, many Lebanese industries, such as the silk industry, experienced economic losses due to the importation of western manufactured goods. The more expensive traditional industries could not

¹²⁶ *Al Bassir*, 23 November 1933.

¹²⁷ *Ibid.*

¹²⁸ *Lissan al-Hal*, 1 August 1924.

compete against the influx of cheap synthetic or industrially made products. Lebanese blamed the losses on the French Mandate's economic 'open door' policy. The Lebanese believed that the French state was privileging the French industrialists who flooded the market with cheap goods instead of raising customs tariffs to protect Lebanese agriculture and business.¹²⁹

Just as the Lebanese blamed the French lack of protectionism for the economic losses in agriculture, they also blamed French inaction for allowing the port of Haifa to gain ascendancy while Beirut was sleeping. If the loss of economic primacy was partially due to the fault of the French administration's neglect, it was up to them to fix it. The perceived solution to this massive attack on the center of Beirut economic platform was for the French Mandate to take action. Many papers decried the High Commissioner's inattention to the Haifan threat and apparent lack of response.¹³⁰ "Why has France not decided to expand the port of Beirut?" demanded *Lissan*.¹³¹ Instead of dealing with the situation, *Bassir* claimed that "the French authorities in Syria get distracted by matters of little importance," like raising tariffs. The newspapers petitioned the High Commissioner in numerous editorials and articles to face the new pressure from the south. "Will the High Commissioner continue to be indifferent to the efforts to wreck the commercial activity of this country?" asked *Lissan* in an editorial designed to spur the government to action.¹³² The most commonly repeated suggestion was to lower the tariff rate in the port

¹²⁹ Zamir, *Lebanon's Quest*, 86.

¹³⁰ *Le Commerce du Levant*, "L'Inauguration du Port de Caiffa et la Guerre du Transport Transdésertique: II – Laisserons-nous aux anglais le monopole du trafic?" 18 October 1933.

¹³¹ *Lissan*, 23 October 1933.

¹³² *Ibid.*

of Beirut.¹³³ This obvious sore point remained an easy way to blame the French administration for the economic disadvantages of Beirut. Another suggestion was for the government to promote transportation agencies to contract with Beirut to lessen the British ‘monopoly’ on desert transportation.¹³⁴ Libano-Syrian companies needed the full support of the authorities to bring the rail and auto lines through Beirut instead of Haifa.¹³⁵ The other significant suggestion to the High Commissioner was to widen and expand the port of Beirut.¹³⁶ The papers worked to keep the conversation of the threat of Haifa in the public sphere, and also to publically pressure the High Commissioner into action.

In the press, we see the same sort of tactics of negotiation that the Beirutis had previously used during the Ottoman Empire. In this age of flourishing local newspapers, it is not only the merchants but also the press attempting to petition the government to action. They use the same tactics that had worked with the Sublime Porte. The press requests immediate construction of a new port, just as the merchants had requested the port concession from the Sultan. Additionally, the press frames this as a threat to the French mandate and the French economy, just as the merchants had attempted to frame the Haifan rail-line as encroaching on the Sultan’s land. However, the press goes farther

¹³³ *Le Temps*, “Le port de Caiffa et le Liban,” 22 April 1933, and *Le Commerce du Levant*, “Le nouveau Port de Caiffa et la Guerre du Transport Transdésertique: IV – Conclusion: La Conquête de l’Asie est un problème de Capitaux et de Matériel,” 8 November 1933.

¹³⁴ *Le Commerce du Levant*, “Le nouveau Port de Caiffa et la Guerre du Transport Transdésertique: IV – Conclusion: La Conquête de l’Asie est un problème de Capitaux et de Matériel,” 8 November 1933 and *Le Commerce du Levant*, “L’Inauguration du Port de Caiffa et la Guerre du Transport Transdésertique,” 14 October 1933.

¹³⁵ *Le Commerce du Levant*, “L’Inauguration du Port de Caiffa et la Guerre du Transport Transdésertique: III – Si nous voulons sauver le Damas-Bagdad,” 25 October 1933.

¹³⁶ *Lissan al-Hal*, 28 November 1933.

than the merchants did before, framing the threat from Haifa as a military and existential threat in order to push the French government into action. This indicates not simply a development in tactics of negotiation, but also just how tenuous these newly developed trade routes are perceived to be. The Beiruti understanding of their city as a central node for trade and as a gateway between the east and west is now fully engrained in the public discourse, and any threat to that centrality is a threat to Beirut itself.

Chapter 3: Response of the French Mandate to Haifa (1926-1938)

While the papers may have believed that the High Commissioner was ignorant of the problems the port of Beirut, or at least portrayed him as such, they were mistaken. The mandatory government had their eye on the development of Haifa for some time, and elements of the administration had been concerned about the port of Beirut for years as well. In the late 1920s and early 1930s, High Commissioner Henri Ponsot (1926-33) had made several attempts to address the economic crisis looming over Beirut. Ponsot was not ignorant of the issues facing the economy of Lebanon, but he was a careful man who often plodded towards decisions, carefully weighing all the options before moving forward. Moreover, the Lebanese economic situation at the port was not at the top of the list for the High Commissioner, as he was contending with the rising Syrian nationalism and with attempting to secure an oil pipeline from Iraq. Ponsot arrived in Beirut in October 1926, as French troops mopped up the remaining pockets of resistance from the Syrian Great Revolt, which started in the summer of 1925 and was one of the most serious armed challenges to colonial power in the Middle East. The reasons for the revolt go beyond the scope of this thesis, but a combination of local tensions and French mismanagement led to an outbreak of unrest by the Druze.¹³⁷ The revolt swept out of Jebel Druze and through all of Syria, although there was never serious resistance in Lebanon. One cause of the revolt was the heavy-handed administration of General Maurice Sarrail, the High Commissioner from 1924-25. After the disaster of Sarrail's

¹³⁷ For a complete discussion of the Great Revolt, see: Michael Provence, *The Great Syrian Revolt and the Rise of Arab Nationalism* (Austin: University of Texas Press, 2005).

mismanagement of the Druze revolt, France reversed its policy of appointing military leaders as the High Commissioner, and instead turned to career diplomats, first Henri de Jouvenel (1925-26), and then Henri Ponsot.

When Ponsot arrived in Beirut he searched for a middle course between security and force. It was clear that the French political policy in Syria had been a disaster, but the number of different sects, the complicated political scene and the brewing nationalism in Syria made it extremely difficult to determine what the future policy should be.

Under the charter of the mandate, France needed to put forth an organic law for Syria and Lebanon and move the mandate towards stable self-government, something which had been put on hold due to the revolt. Ponsot toured Syria and Lebanon for four months, listening to various constituent groups who suggested various forms of government: a Constituent Assembly overseen by the French, a Franco-Syrian treaty, admission to the United Nations, and complete self-government. Syrians and Lebanese waited with anticipation to hear Ponsot's policy statement, hoping that it would signal a significant departure from the military rule. In July 1927, Ponsot (through his intermediary Colonel Catroux) firmly stated that France would not relinquish the mandate, but would allow Syria to hold elections, elect a Constituent assembly and would continue to prepare Syria and Lebanon to become independent nations.¹³⁸ He emphasized that violence would be dealt with harshly: the Mandate would protect their security and economic interests with force. But the "liberalism of the French Republic cannot be questioned by anyone," and the Mandate would continue to facilitate the progressive development of Syria and

¹³⁸ Peter A. Shambrook *French Imperialism in Syria, 1927-1936* (Reading: Ithaca Press, 1998), 7.

Lebanon.¹³⁹ This statement of policy was hugely disappointing to nationalists who believed Ponsot would relax France's direct control of Syria's politics. Having been recently defeated by the French army, nationalists agreed to the necessity of collaboration with the French government, but did so with bad grace.¹⁴⁰

This cautious middle of the road negotiation characterized Ponsot's entire commissionership. Throughout his term, Syrian nationalists, now organized into the National Bloc (al-Kutla al-Wataniyya) vied for more self-governance and transparent elections.¹⁴¹ Various political groups competed for power as they attempted to maneuver their parties into a seat of control in the Syrian government. Ponsot's response to this was to attempt to maintain the status quo, to avoid any sudden policy changes, and prevent any sort of agitation or unrest. Above all, he feared another outbreak of hostilities just after the military repressed the Great Revolt. With Syrian political concerns and the internal security situation at the forefront of his mind, Ponsot let the Beirut economic situation slide to the back burner. Lebanon had its own host of problems, but nothing that was as volatile as the Syrian nationalists, who appeared to grow in power and organization every day.

Without attention by Ponsot, the worsening global economic situation hit sectors of the Beirut economy as local politicians tried to get the High Commissioner's attention. In 1929 members of the Lebanese political and merchant community attempted to prod the High Commissioner into dealing with the economic problems facing Lebanon. Early

¹³⁹ Shambrook, *French Imperialism in Syria*, 7.

¹⁴⁰ Shambrook, *French Imperialism in Syria*, 9.

¹⁴¹ Shambrook, *French Imperialism in Syria*, 14.

proposals by Emile Eddé and Habib Trad focused on slimming down the expensive Lebanese bureaucracy. Eddé and Trad were two members of the political and commercial establishment in Lebanon. Eddé was a Maronite lawyer from Beirut, his father and grandfather had been dragomen to French merchants in Damascus, and had climbed the typical social ladder for Christians who worked with European merchants. Emile Eddé (b. 1888) himself was member of the new Lebanese political establishment, was President of the Republic of Lebanon (1936-41). Habib Trad (b. 1885) was a Greek Orthodox banker and landowner; he was never elected to office but wielded political power through his commercial interests and his alliance with Eddé.¹⁴² Both had the ear of the commissioner and attempted to push him towards action.

Habib Trad sent the High Commissioners a multifaceted proposal for restructuring Lebanon's economy which focused on cutting down the number of elected officials and the number of state employees in order to reduce the amount of state budget going towards wages, reallocating this money to public works projects. Furthermore, the government's deputies and some advisors would be chosen from the business sector and advise on restructuring the state's fiscal policy.¹⁴³ This sort of proposal which privileged the merchants of Beirut was obviously self-serving for a man such as Habib Trad, but also identified the administrative inattention towards the economy. Commissioner Ponsot approved Trad's proposal, indicating the centrality and importance of both the need for drastic political change and the importance of the business sector in Beirut. Yet,

¹⁴² Biographical information from: Malcolm Yapp, Paul Preston, and Michael Partridge, *British Documents on Foreign Affairs-Reports and Papers from the Foreign Office Confidential Print: Part Iv, Series B*. (Bethesda, Md.: University Publications of America, 1999), 374, 380.

¹⁴³ Zamir, *Lebanon's Quest*, 68.

after approving the plan, Ponsot found himself unwilling to make any substantive governmental changes in Beirut and actually implement the plan, causing Habib Trad to resign from the parliament in protest.¹⁴⁴ This episode highlights several salient points about the operations of Beirut under Ponsot's commissionership. First, the merchants were intimately involved with the mechanics of the government, and usually businessmen served in parliament and ran for office while they continued to manage their holdings in Beirut. Second, both the merchants and the French government were well aware that a serious economic crisis was brewing, a crisis that the current structure of the Lebanese government was ill-equipped to handle. Thirdly, Ponsot was willing to listen to the suggestions of Lebanese officials on how to address the economic and governmental problems that Lebanon faced. Despite this, Ponsot remained unwilling to significantly change the political structure in Lebanon, finding himself both reluctant to move and concerned that there would be a significant outcry from other interests in the Lebanese government.

Without restructuring the Lebanese government in a way that would allow it to confront the brewing economic crisis on its own terms, Ponsot needed to take action as the economic effects of the depression hit Lebanon in 1930. At the start of this year, Ponsot developed an ambitious program of public works developments which would restructure and strengthen the transportation network in Lebanon. The proposal from the High Commissioner's office and Eddé's government included a number of high cost projects: enlarging the port of Beirut, constructing a rail line between Beirut and Tripoli,

¹⁴⁴ Zamir, *Lebanon's Quest*, 69, ft. 95.

developing a seaplane port in Tripoli, and improving the telephone network in Lebanon.¹⁴⁵ This ambitious program was exactly what Lebanon needed to secure its place as the central port of the Levant. This would modernize the facilities in Beirut while bringing it into closer contract with the developing city of Tripoli. Unfortunately for Beirut, when Ponsot saw the recession hit the budget over the course of 1930 and trade dramatically decrease in Beirut, he scrapped the majority of the plan, including jettisoning the idea of enlarging the port.

The only economic situation that Ponsot successfully dealt with in regards to Lebanon was the threat of Haifa securing sole rights to an oil pipeline from Iraq. The French mandatory government had been concerned about the economic threat of Haifa even prior to Haifa's construction of a new port because of the Anglo-French conflict over the construction of oil pipeline from Iraq. The history of the oil concession in Iraq is one which has already been told, and like the revolt it goes outside the confines of this work.¹⁴⁶ Suffice it to say that during and after World War I, the European powers were extremely interested in accessing the oil they believed to be under the surface of the fields of Mosul and Kirkuk. Even before the Turkish Petroleum Company (TPC), which held exclusive exploration rights, discovered the largest reserves of oil in the Kirkuk oil field, Britain and France engaged in a diplomatic battle over the oil.¹⁴⁷ In the late 1920s,

¹⁴⁵ Zamir, *Lebanon's Quest*, 88.

¹⁴⁶ For in depth histories of the Iraqi oil concession, see: Eric D. K. Melby, *Oil and the International System: The Case of France, 1918-1969* (New York: Arno Press, 1981); James Barr. *A Line in the Sand: The Anglo-French Struggle for the Middle East, 1914-1948* (New York: W.W. Norton & Co, 2012), 143-153; Alain Beltran, *A Comparative History of National Oil Companies* (Bruxelles: P.I.E. Peter Lang, 2010).

¹⁴⁷ Barr, *A Line in the Sand*, 143-145.

the plan was to discover the main oil fields in Iraq, and then build a pipeline to the Mediterranean, where the oil could be refined and put on tankers which could carry the oil to Europe and the Americas. The immediate question that the French and the British asked was: which city would the pipeline go to?

The French had a 23.75% share in the TPC, and wanted the pipeline to go through Syria and Lebanon.¹⁴⁸ Even before the company struck oil, Lebanese newspapers like *Mokattam* began grumbling. “The oil is in a country under British mandate, and Britain is understandable eager to have the upper hand on [oil] transport.”¹⁴⁹ The Lebanese press believed there was no chance that Iraq would favor a Lebanese port like Alexandretta over a British city, declaring, “It is almost certain that [Iraq] opts for Haifa... it will create a pipeline directly linking Baghdad and Haifa.”¹⁵⁰ Only five months after *Mokattam* ran this article, on 14 October 1927, drillers struck a massive reservoir of oil at Baba Gurgur on Kirkuk Field, unleashing a geyser of oil so powerful that killed two workers and spewed ninety thousand barrels of oil over the next day.¹⁵¹ The hypothetical question of where the pipeline would go suddenly became a reality, as the Turkish Petroleum Company needed an outlet to transport this mass of oil to the coast.

The French officials and Ponsot’s office strongly pushed their case for a pipeline to a Lebanese port. In negotiations with the TPC, they pointed out that the routes to the three possible ports (Beirut, Alexandretta and Tripoli) were shorter and less expensive,

¹⁴⁸ Le Charge d’Affairs de France en Irak à Son Excellence Monsieur le Haut Commissaire de la République Française à Beyrouth, 20 May 1933, Box 704, MAE-Nantes.

¹⁴⁹ *Mokattam*, 10 May 1927.

¹⁵⁰ *Ibid.*

¹⁵¹ Barr, *A Line in the Sand*, 143.

and would pass through terrain which was less problematic to lay track than the route to Haifa. However, the British argued that their route was more secure, a route which would pass southwest through Iraq and Transjordan to Amman where it turn to go directly northwest to Haifa. Both the English and the French feared that they would become completely economically dependent on the other the country if they did not control the oil from Iraq.

In 1929 and 1930, both the French and the British attempted to court the (renamed) Iraq Petroleum Company and the government of Iraq to their route. The French High Commissioner declared in February 1929 that if Iraq chose the northern route, the Mandatory government would build a concurrent railroad from Syria to Lebanon.¹⁵² This route would be funded by a bond from Syria and Lebanon, which would be financially guaranteed by the French government.¹⁵³ Historian James Barr reports this information from British archival sources in *A Line in the Sand*, however, it is unclear if the French High Commissioner Ponsot ever followed up on these promises. He certainly had every intention of building the railroad to convince IPC, and the option remained on the table for a number of years. But, it also seems likely that these promises to the IPC were a part of the package of infrastructure developments that Ponsot planned before the Lebanese economy crashed in late 1929. This is supported by the fact that the High Commissioner's Office also promised the Iraq Petroleum Company that France

¹⁵² Barr, *A Line in the Sand*, 149.

¹⁵³ Ibid.

would build a first rate port in Tripoli if the northern route was chosen.¹⁵⁴ It seems extremely doubtful that Ponsot would have ever followed through on the promise to build a port in Tripoli, considering that he could not even pay for an extension of the port of Beirut.

While these promises seem empty with the benefit of hindsight, at the time they galvanized the British to make the southern route more attractive to the Iraq Petroleum Company. In 1930, they came to a compromise with both the French and the IPC, and convinced the IPC to create a bifurcated pipeline that reached two terminus points at Haifa and Tripoli. Like any good compromise from Ponsot's administration, this left no one happy. Both the French and the British had averted the disaster of losing out on the Iraqi oil, but they did not gain any significant advantage in the war of trans-desert transportation. Furthermore, Haifa had indeed gained an oil pipeline, setting it up to be a center of commerce as Sir Herbert had planned in 1925.

So when Haifa completed its modern port in 1933, France was aware of the need to restructure Beirut's economy to compete with Haifa, but had been unable to do so. Officials looked to the south with trepidation over what effect the Haifan port would have. From the beginning of the Haifan project, French authorities believed that the British port project had a strong military component. They worried that the port was the beginning of a naval base on the Mediterranean that would be able to dock a British naval

¹⁵⁴ Ibid.

fleet.¹⁵⁵ Lieutenant de Feriet conducted the first military report on the Port of Haifa in November of 1927. Lieutenant de Feriet's official recommendation to the High Commissioner of Syria and Lebanon immediately recognized the potential economic threat of Haifa as well. "If we believe that the expansion of the Port of Haifa can lead to unfortunate results for the port of Beirut, we have time to take measures to help us to also prepare a program."¹⁵⁶ This early report already attempts to incite action by the French mandate, indicating that with this advanced intelligence, Beirut could develop a program to retain military and economic superiority before Haifa established itself as the main port of the Levant. During the construction of the port, the regular reports on the port's progress from the French consul in Haifa did not satisfy French mandatory officials. The French began spying on the port construction to discover the exact stage of development and who the primary contracted companies were (for the main port, the electric installation, the Shell pipeline and more). They reported with worry that John Chancellor, the High Commissioner of Palestine (1928-31), claimed that after construction Haifa would rival Marseille. In 1931 the secret reports, complete with drawn maps of the construction and photos of Haifa's coastline, admitted that there was not yet any sign of barracks or hangers or any presence of a naval base. Despite the lack of any evidence of a military operation, the intelligence officer maintained, "Their plan was established by the Admiralty."¹⁵⁷

¹⁵⁵ Lt. de Feriet to High Commissioner, Information au sujet d Port de Caiffa, November 1927, Box 708, MAE-Nantes.

¹⁵⁶ Ibid.

¹⁵⁷ Surete General, Report 173, "Port de Haiffa," December 1931, Box 708, MAE-Nantes.

All of this subterfuge by the French military and intelligence services indicates an extreme military anxiety towards Great Britain. The interwar years were characterized by increasingly cool relations between the British and the French. French fears of Britain's military foothold in the Middle East blinded them to the most important threat faced by the French mandate, the economic threat. The panicked military analysis was offset by the more coolheaded advice of the French Consul at Haifa. Pierre Maurice Grapin had been the Foreign Office's representative at Haifa since 1928, and had monitored the situation of the port since almost the beginning of his term there.¹⁵⁸ Grapin immediately notified Beirut when the Port of Haifa entered an active construction phase, transmitting the known specifications of the port regularly.¹⁵⁹ Considering Grapin's regular and accurate communication to Beirut, it is unclear why the Mandatory official felt the need for a military assessment and covert investigations, seeing as the information they collected was not significantly more than what Grapin had sent already. Mostly likely, this simply indicates the extent to which the French believed the true purpose of the operation was a naval base, and they had expected their intelligence operatives to uncover this concealed plan.

Just as the Beirut press felt that the European Jews had tilted the playing field, the French officials felt that the Jews acted as an unfair advantage in the war for transdesert transportation. French officials added another level to this interpretation of events, that of a racialized understanding of the Jewish immigrants. Jacques d'Aumale,

¹⁵⁸ *The London Gazette*, 5 June 1928.

¹⁵⁹ Consul de France à Caïffa à Le Haut Commissaire, report #8, 12 April 1929, Mandate Syrie-Liban, Box 708, MAE-Nantes.

the Consul General of France in Jerusalem had a view of the Jewish immigrants as extremely wealthy, with movable capital. The German Jews who came to Palestine came with “all their capital, all their fortune,” and were able to invest their vast sums into the Palestinian economy. Now, “the country runs on gold,” M. d’Aumale claimed.¹⁶⁰ As mentioned, the German Jews who were able to make the journey were usually financially stable, and had attempted to liquefy their assets before being forced from their homes, which allowed them to invest in the industrial sector. However, d’Aumale uses a negative racial stereotype of moneylending Jews to remove fault from the French government’s economic misfortunes and ascribe the success to the racial composition of Haifa as opposed to Beirut.

To complicate this image, Consul d’Aumale went on to describe German Jews as “intellectuals and industrious workers with energetic personalities.”¹⁶¹ Here we see the multifaceted stereotype of the German Jew. Although Consul d’Aumale evokes the stereotype of greed, he also has the stereotype of Jews as urban intellectuals, and as industrious German workers, superior to the Polish Jews who arrived in the 1920s. This image of hard working Europeans directly contrasts with the French’s stereotype of the lazy Arabs. Consul d’Aumale sets up this contrast which intimates that the British Palestinian government has benefitted from the influx of a better stock of people than the ones the French mandate has to put up with. In this racialized interpretation, the rise of

¹⁶⁰ M. d’Aumale, Consul de France a Jerusalem à Le Haut Commissaire, report #84/10/E, 20 February 1935, Mandate Syrie-Liban, Box 708, MAE-Nantes.

¹⁶¹ Ibid.

Haifa is not the French government's fault because the success of the more Europeanized city was a racial inevitability.

Consul Grapin called the situation in Haifa “artificial and transitory,” and did not believe that the current level of Jewish investment had the potential for longevity.¹⁶² Writing in 1935, d’Aumale agreed with this assessment. “We should not attribute the prosperity of Palestine to a carefully prepared British economic plan,” claimed d’Aumale. He effectively strips away fault or responsibility on the side of the French authorities by placing the full reason for Palestine’s prosperity at the hands of international events. In 1929, he claimed, Palestine was in the same economic depression as the rest of the world, and the Jewish Agency had “nothing but debts.”¹⁶³ “But Hitler came. So, in two years, prosperity covered Palestine. The German Jews, intellectuals and industrialist, in general possessing hard working and energetic personalities, arrived by boatloads, with capital and goods,” he states.¹⁶⁴ This rather neatly encapsulates the French reasoning for the entire prosperity of Palestine. It was international events which they could not influence or change which caused the development of the port of Haifa. This neatly ignores the fact that the British government intelligently allied with Jewish industrial investors to create conditions conducive to economic growth. Furthermore, it ignores the British government’s deliberate focus on the economic development of Haifa, privileging it for a port over other options such as Jaffa. Instead, when Consul d’Aumale wrote his report in

¹⁶² M. Grapin, Le Consul Général de France à Caiffa à M. le Ministre des Affaires Etrangères, report #14, 5 December 1933, Mandate Syrie-Liban, Box 708, MAE-Nantes.

¹⁶³ M. d’Aumale, Consul de France a Jerusalem à Le Haut Commissaire, report #84/10/E, 20 February 1935, Mandate Syrie-Liban, Box 708, MAE-Nantes.

¹⁶⁴ Ibid.

1935 he blamed Haifa's increased prosperity on the boom in German Jewish immigration from 1933-34. The French officials in Beirut were well aware of the waves of Polish Jewish immigration in the early 1920s, the German immigration from 1929-31, and the slowly growing industrial sector in Haifa. Furthermore, they were aware of the plans to enlarge the port of Haifa from almost the minute the plan was floated, due to Consul Grapin's attention to events, and the not-so-subtle announcements in *The Palestinian Post*. The French officials had clearly known about the potential impact on Beirut and neglected to develop a counter strategy.

Instead of a counter strategy, when the port first opened the French tactic was to deflect public opinion. Two days after the opening of the port of Haifa, an internal memo admitted that "One can expect that during the period following the inauguration of the port of Haifa, the tone of the press will become quite bitter."¹⁶⁵ But instead of addressing the actual issues, the memo continues, "In order to divert public attention, it may be desirable that a diversion should be found, for example the publication of the transit agreement with Persia - if it is already concluded - or any other fact of this kind."¹⁶⁶ The underlying message of the internal memorandum is that the problem does not need to be fixed, but the Beirut merchants needed to be distracted and appeased, so that they would stop agitating for change in the press.

Consul General d'Aumale's long term assessment of the Beirut – Haifa port development reflects this attitude. D'Aumale reproduced the Palestinian press' numbers

¹⁶⁵ Note on the repercussion to Beirut on the inauguration of port of Haifa, 27 October 1933, Mandate Syrie-Liban, Box 708, MAE-Nantes.

¹⁶⁶ Ibid, 27 October 1933.

of tonnage passing through the ports: in 1929, Beirut had 1,991,000 tons and Haifa had 1,267,000 tons. In 1933, Beirut had 2,320,000 tons and Haifa had 2,682,000 tons, indicating economic growth across the board in the Levant, and also that Haifa had seen exponential growth and surpassed Beirut as the largest port in the Levant.¹⁶⁷ D'Aumale emphasized in his report that the trade in Beirut did not decrease. He goes on to say that the "the traffic passing through Haifa could not go through Beirut."¹⁶⁸ The goods going through the port of Haifa were oranges (from the November to March growing season in Palestine), heavy goods such as coal, wood cement and iron diverted from Jaffa, and goods the German Jewish immigrants brought over with them.¹⁶⁹ Consul d'Aumale's analysis of the numbers is partially accurate, but neatly obscures any sense of responsibility that the French might have about their lack of action concerning the port of Beirut.

The French mandate, especially Consul General d'Aumale, described the rise of Haifa as if it was surprising, yet a historical inevitability. The port was receiving more traffic because the goods were diverted from Jaffa, not because there was less traffic going through Beirut. The rise of the port of Haifa was due to the international situation and the superior work ethic of the Jewish immigrants as opposed to the Beirut Arabs. The British economic consolidation in Haifa could not have been predicted. Instead of viewing the anger in the press as justified worry about the economic threat to Beirut, it

¹⁶⁷ M. d'Aumale, Consul de France a Jerusalem à Le Haut Commissaire, report #84/10/E, 20 February 1935, Mandate Syrie-Liban, Box 708, MAE-Nantes.

¹⁶⁸ Ibid, 20 February 1935.

¹⁶⁹ Ibid, 20 February 1935.

was Arab nationalist agitation being fed by the powerful merchants in the city.¹⁷⁰ French officials believed that the large scale merchants were attempting to maintain the tone of distress in the press, and “nationalist agitators” were exploiting this moment as one that would bring Arab unity.¹⁷¹

But the Arab press and Arab merchants were not casting this as a nationalist fight. They did not call the Beirutis to arms, or attempt to turn this into a region-wide issue as the French had feared. Instead the press laid out clear economic and diplomatic solutions that the French government could take to ameliorate the situation. *Le Commerce du Levant*’s suggestions at the end of their four part series on Haifa were that Beirut should: a) develop a Freeport to offset the issues of tariffs, b) improve the state of the Damascus-Baghdad rail line to draw more business, and c) promote local transport companies so that private enterprise could challenge British transportation.¹⁷² This does not indicate the development of nationalist language, but instead an economic call to arms. The Beirutis merchants wanted to work together with the French mandatory government to improve the position of the city. It was the intractability of the French government to do anything which was raising the level of agitation in the press, and causing them to cast this battle as a dire fight which would cause the end of Beirut.

Despite all this tension, High Commissioner Ponsot seemed obstinate. He did not make a move to act on any of the suggestions in the papers. It was only until French and

¹⁷⁰ Note on the repercussion to Beirut on the inauguration of port of Haifa, 27 October 1933, Mandate Syrie-Liban, Box 708, MAE-Nantes.

¹⁷¹ Ibid, 27 October 1933.

¹⁷² *Le Commerce du Levant*, “Le nouveau Port de Caiffa et la Guerre du Transport Transdésertique: IV – Conclusion: La Conquête de l’Asie est un problème de Capitaux et de Matériel,” 8 November 1933.

Arab business interests bonded together that and a new commissioner took over that the Beirutis successfully petitioned the government to action. As noted, their campaign started almost immediately once the port of Haifa opened in late October 1933. Habib Trad arrived home from France and immediately took stock of the panicked tone of the press. Instead of attempting to calm investment fears, he urged the press to continue their agitation and influenced the *Journalist Errant* especially to continue sounding the alarm. Trad himself began talking of the threat to Beirut as one of survival, and as a fight between the two cities. Concurrently, he immediately called for all businessmen to join tighter, across both confessional and ethnic lines to pressure the High Commissioner to take immediate action on this issue.¹⁷³ Instead of addressing these concerns, the commissioners' office recommended that the High Commissioner should find some means of "appeasement" that would give "a few large traders (Habib Trad...)" confidence, and ameliorate their concerns on current economic problems. This sort of discussion at the upper echelons of the French mandatory government again highlights the official's intractability and unwillingness to take any serious action which would mean risk for the French government.

In 1934, the parameters of the situation had changed. The salient reason for this was that Damien de Martel became the new High Commissioner. If the French administration under Ponsot generally treated political concerns as the primary issue in governance and economic concerns as a distraction from political, military and strategic

¹⁷³ Information No. 517, Political Cabinet, Mandate Syrie-Liban, Box 708, MAE-Nantes.

issues, High Commissioner de Martel turned this policy around.¹⁷⁴ De Martel disembarked onto the port of Beirut on 12 October 1933, and immediately made his way to Damascus to deal with the continuing problem of the Syrian nationalism. Like Ponsot, de Martel was a career diplomat who had previously served in the Far East.¹⁷⁵ But unlike Ponsot, de Martel was well known as a man of action. The Quai d'Orsay kept very close relations with de Martel, and trusted him to take pragmatic and swift decisions to deal with the Syrian nationalists, in contrast to Ponsot, with whom they had lost faith.¹⁷⁶ They wanted de Martel to reevaluate the French policy on Syrian unity and take action.

Martel arrived just as the Syrian parliament was gearing up for elections, and his main focus in the first few months was to get through parliamentary elections without any violence, and without any significant gains by the Syrian nationalist parties that would disrupt Mandatory control of Greater Syria. The elections in Syria would not directly affect Lebanon, but Syrian unionists wanted Lebanese support for a unified Syria and Lebanon. In 1932, the Syrian nationalist party attempted to use the threat of Beirut's precarious economic situation to push Lebanese Christians into supporting them, telling Beirutis that the French government was unable to economically protect them. The Syrian nationalists claimed that if Syria and Lebanon split into two separate countries, Syria would direct its trade through the port of Haifa instead of Beirut.¹⁷⁷ This was a fairly thin threat considering that the rail line to Beirut was at that time a faster route than

¹⁷⁴ Kassir, *Histoire*, 276.

¹⁷⁵ De Martel served in Peking, the Caucasus and Siberia, and had been the French ambassador to Japan. His appointment as High Commissioner was a promotion, confirming status as a rising star. Shambrook, *French Imperialism in Syria*, 141.

¹⁷⁶ Khoury, 389-91

¹⁷⁷ Zamir, *Lebanon's Quest*, 107.

the line to Haifa. But the Syrians exacerbated Lebanese fears of economic recession and preyed on Lebanese fears that Ponsot would fail to react to the economic depression in Beirut. They hoped that they could pull the Lebanese Christians to supporting Syrian unionism, instead of the Lebanese exclusivism which they usually supported.

While Ponsot had seen Beirut's economic problems as an albatross, de Martel saw an opportunity. As soon as he arrived, newspapers exhorted him to give his attention to the port, saying, "We demand, now that [the new High Commissioner] has personally seen the terrible state of our commerce, to remedy this pitiful situation."¹⁷⁸ De Martel realized that he could use the economic situation of Beirut as leverage against the Syrian nationalists. By focusing on the needs of the minority groups of Lebanon, de Martel could counter the Syrian nationalist's attempt to co-opt groups like the Lebanese Christians. To this end, in his first year and a half as High Commissioner, de Martel threw himself into the economic problems of Syria and Lebanon, and used his successes there as both an incentive for Lebanese groups to ally themselves with the French government, and as a smokescreen for the continuing political problems in Syria. "All political activity today... must be carried out discreetly if we wish to avoid reactivating the opposition, which is at present crumbling. Therefore I am trying to concentrate the public's attention on economic projects."¹⁷⁹ De Martel's tactics were simple yet effective. The Syrian nationalists protested vociferously that de Martel was concentrating on economic improvement to distract the public from the fact that he was making no

¹⁷⁸ *Bassir*, 18 November 1933.

¹⁷⁹ Shambrook, *French Imperialism in Syria*, 155, see Ft. 61.

progress on moving Mandate Syria towards self-government.¹⁸⁰ But, the method was successful in encouraging economic growth in Lebanon and Syria, de Martel effectively refuted the nationalist's claims that the French were unable to help Lebanese Christians and took away their method of wooing the Christians to their side. He also positioned France to create closer ties with the Lebanese merchants, who hoped that under the new administration the High Commissioner would support Beirut's economic crisis instead of focusing all his attention on the problems of Syrian nationalism. This was de Martel's first card in carefully separating public opinion in Lebanon from the Syrian unionist cause; presenting France as the savior of Lebanon while the Syrians were only looking out for their personal gain.¹⁸¹

Therefore, when 'Umar Da'uq galvanized the chamber of commerce, and petitioned the High Commissioner for immediate action, the petitions of the Lebanese finally did not fall on deaf ears. Da'uq (b. 1865) was a Sunni Muslim and powerful gold, clock and jewelry merchant, who held influential connections with the Muslims of Beirut, including the Bayhoum family.¹⁸² Da'uq was something of an elder statesman of Beirut, because of his long tenure and influence as a member and later president of the Chamber of Commerce. 'Umar Da'uq concisely states:

Beirut is threatened by the large modern port of Haifa... The Lebanese economy is on the decline, the re-exportation trade is inhibited by newly imposed customs duties, agricultural output is falling, and the transit trade is seriously jeopardized. Such palliatives as the construction of additional warehouses and the signing of

¹⁸⁰ Shambrook, *French Imperialism in Syria*, 156.

¹⁸¹ Shambrook, *French Imperialism in Syria*, 197.

¹⁸² Michael Johnson, *Class & Client in Beirut: The Sunni Muslim Community and the Lebanese State, 1840-1985* (London: Ithaca Press, 1986), 26.

commercial agreements are without effect. Iraq and Persia are both looking for an outlet on the Mediterranean, and transdesertic traffic is increasing.¹⁸³

‘Umar Da’uq, Habib Trad and other prominent merchants successfully galvanized the Chamber of Commerce and the Lebanese parliament to petition the new High Commissioner for an immediate response to the threat of Haifa. De Martel wanted to ally with the Lebanese Chamber of Commerce and to sway public opinion, and so de Martel ignored the advice of the High Commissioner’s office which urged him to create a distraction, such as the commercial agreements which Da’uq dismissed as meaningless palliatives. Instead, de Martel quickly decided to both establish a free zone in the port, and to allocate a significant amount of money towards the creation of an extension of the port of Beirut. Unlike Ponsot, de Martel was quick and decisive, and also had the support of the Quai d’Orsay to engage in such an expensive project, even as the economy of Beirut stumbled. He therefore secured a loan of 40 million francs from the French government to be spent on the port of Beirut expansion.

The response to de Martel’s announcement of a port extension was overwhelmingly positive.¹⁸⁴ Both traders and working class Lebanese rejoiced at the news of the port extension, believing that this would significantly impact the business of Beirut. De Martel made an excellent first impression on the people of Beirut, and they took this as a sign that the High Commissioner intended to pay attention to the economic problems of Beirut rather than the political problems of the Lebanese and Syrian

¹⁸³ As quoted in Buheiry, 551.

¹⁸⁴ Sureté Beyrouth, Information No. 7589, 8 December 1933, Mandate Syrie-Liban, Box 708, MAE-Nantes.

Parliaments.¹⁸⁵ The press reported with glee that “the High Commissioner has lately declared that he would delay the political problems and would deal with economic affairs.”¹⁸⁶ The Lebanese understood that their fortunes had turned around.

The press feted the High Commissioner, announcing that the entire country received the news of the High Commissioner’s reorientation to economic affairs with great satisfaction. This was an “essential way to remedy the crisis and restore prosperity to our country.”¹⁸⁷ They praised the High Commissioner’s character, saying that, “One of the qualities predominates the High Commissioner is the spirit of decision. As soon as he takes a decision, he is quick to execute.”¹⁸⁸ The High Commissioner, the editorialists declared “has realized the urgency of the situation, and he has responded.”¹⁸⁹

Some members of the press still had doubts, and were not sure that this was the solution to their economic issues. Editorialists noted that the Chamber of Commerce had been waiting for economic improvements for some time, and although the High Commissioner had delivered, but in the past the French government had made promises and had not followed through.¹⁹⁰ In 1929, the Lebanese government promised 40 million francs for irrigation projects to revitalize the failing agriculture in the mountains. This money fell through and was squandered into bureaucratic expenditures.¹⁹¹ Previously, the government would “dangle millions” in front of the Lebanese people “as if it were a

¹⁸⁵ Sureté Beyrouth, Information No. 7557, Mandate Syrie-Liban, Box 708, MAE-Nantes.

¹⁸⁶ *Chark*, 7 December 1933.

¹⁸⁷ *Bayrak*, 7 December 1933.

¹⁸⁸ *Bayrak*, 18 May 1934.

¹⁸⁹ *Bayrak*, 7 December 1933.

¹⁹⁰ *Bayrak*, 7 December 1933.

¹⁹¹ *Bayrak*, 7 December 1933.

morphine injection could calm the nerves.”¹⁹² But now the Lebanese knew that these millions often did not reach their destination, or came with so many restrictions that they were not helpful to the Lebanese economy. Although the press greeted the news of the opening of the port with a clamor of approbation, they all agreed that besides expanding the port, the High Commissioner needed to repeal the taxes and customs on the port, which would continue to make Beirut a less attractive shipping option than Haifa. And if Beirut was to be the primary entrepôt to Iraq and Persia, the French Mandate needed to finalize definitive trade agreements so that the merchandise coming into Beirut would have somewhere to go. Otherwise, Beirut would be “a port without boats.”¹⁹³

Despite misgivings, the credit for expanding the port was given to the High Commissioner for acting quickly in the crisis, the chamber of commerce for pushing the plan and the press for keeping the issue alive in the editorials. Their petitioning of the French government had been successful in presenting the port as a commercial solution that would allow the French mandatory government to retain its grip on trade in Syria. The press saw that the lines of trade passing through Beirut would be protected, as there would be no reason for Mediterranean trade to move south if Beirut possessed the most modern trade infrastructure. All of the press and coverage of the announcement of the expansion of the port of Beirut saw this as a direct response to the challenge from Haifa. Not a single Lebanese paper considered that Martel could have the secondary motive of silencing the press on political issues and distancing the Beirut merchants from the

¹⁹² *Nahar*, 7 December 1933.

¹⁹³ *Nahar*, 7 December 1933.

Lebanese nationalists, which was likely part, although not all, of his reasoning for constructing a new port in Beirut. Instead, they saw this as the Lebanese merchants and press successfully working with the French government to present a mutually beneficial solution to an economic problem.

Although the press feared that the funds for the port of Beirut would mysteriously be lost in the pockets of officials, work did go forward on the extension of the port and completed in only four years. The massive new port had a breakwater of 490 meter, and 800 meters of deep-water docs, meaning that the port could dock even the largest ocean liners.¹⁹⁴ The port opened in a massive celebration on 13 June 1938, meant to signal Beirut's triumph over the threat of Haifa.¹⁹⁵ At the opening ceremonies, High Commissioner de Martel declared the new edifice the "largest commercial port in the Levant," clearly referencing Haifa. He went on to say "the port of Beirut is admirably placed to serve the commercial exchanges between the Middle East, the Mediterranean and the West - exchanges to become increasingly important as the Levant becomes... more prosperous."¹⁹⁶ This reinforced Beirut's perceived center as not only an important transit route, but also an exceptional point where the best of the East and the West combined to create the unique city of Beirut. Finally, de Martel declared the fifty year existence of the modern port "a model of true Franco-Lebanese collaboration."¹⁹⁷

¹⁹⁴ Kassir, 276.

¹⁹⁵ *La Croix*, "Les travaux d'extension du port de Beyrouth," 7 July 1938

¹⁹⁶ Discours de Son Excellence le Comte de Martel, Haut Commissaire de la Republique Francaise en Syrie et au Liban, 13 June 1938, , Mandate Syrie-Liban, Box 708, MAE-Nantes.

¹⁹⁷ Ibid.



Figure 5: *Le Champollion* docked at Beirut in 1939

Chapter 4: Competition in Air Transport (1926-39)

In the 1920s, the port saw another vehicle arriving occurring in its waters, that of the hydroplane. Air transport developed as a commercial enterprise in the Middle East in the late 1920s, when France, along with Great Britain, realized the strategic and practical interest in connecting their colonies by air. The introduction of commercial aviation became a site of Anglo-French competition between Haifa and Beirut, just as the railway, the oil pipeline and the port. Both cities had hydroplanes landing in the port, and the French believed that the British intended to develop Haifa as their main air hub. To counter this, the French government would need to build an aerodrome in Beirut to compete. More generally, Beirut wanted to secure the construction of an air terminal in their city which would concretely fix Beirut as an aviation hub. The construction of this infrastructure would make Beirut the best possible stop for planes entering the Levant, just as a hundred years earlier the lazaretto made Beirut a must-stop for European ships. The new air competition gave the government and the populace another reason to be concerned about Beirut's economic security even as the port construction began.

The inter-war years are now colloquially known as the "Golden Age of Aviation," a period in which technological advances in aircrafts made long range flight possible and commercial flight economically viable. A certain element of romance surrounded the great aviators of the time; Charles Lindbergh flew across the Atlantic in June 1927, and Amelia Earhart repeated this feat in 1932. While record setting flights ignited the public's appetite for air travel, other first flights also tested the possibilities for regular commercial air travel. In the 1920s and 1930s, the Middle East had its own share of

celebrity pilots who were often attached to a nascent air carrier. In the early days of this aviation, the coastal cities played an essential role, because without air terminals or runways, most test flights were on sea-planes or “flying boats.” The first sea-plane test flight to Beirut was conducted by Maurice Nogues in 1926, and paved the way for the formation of an early airline, Air Union – Lignes d’Orient¹⁹⁸ in 1927. The company inaugurated a regular air-mail service between Beirut and Marseille on 6 June 1929, conducted twice a week with four intermediate stops¹⁹⁹ and a flight time of 30 hours.²⁰⁰ Air Union – Lignes d’Orient’s successor, Air Orient, expanded this into a seven-day route to Saigon. With the port and the railway already located in Beirut, it appeared that the coastal city would be an obvious node for air transport. The air-mail and short hop lines carried out by seaplane were initially a success, but Beirut’s bay was open to unpredictable weather patterns which made landings tricky. Many of the water-landings were transferred to Tripoli in 1935 after a fatal crash in the port, forcing the French government to reevaluate their plans for Beirut as an air center.

Some of the safety problems of the hydroplane landings in the port of Beirut would be solved by the planned port expansion, which would extend the breakwater and limit the effects of the choppy seas. However, the construction on the port also meant that the Air-France hangers would not be able to operate during construction.²⁰¹ Air France enjoyed special privileges due to the French Mandate’s open skies policy towards

¹⁹⁸ A subsidiary of Air Union, a French airline founded in 1923, Air Union – Lignes d’Orient merged with Air Aise to form Air Orient in 1930, later to be folded into Air France in 1933.

¹⁹⁹ Naples, Corfu, Athens and Castellorizo.

²⁰⁰ Kassir, *Histoire*, 277.

²⁰¹ Le Directeur de Air France à Monsieur l’Inspecteur Général de Travaux Publics, 22 February 1935, Mandate Syrie-Liban, Box 404, MAE-Nantes.

their national company, and they requested permission from the government to move their facilities to Tripoli for the time being.²⁰² In keeping with the good relations Air-France had with the High Commissioner, this transfer was fairly easily accomplished. Air France leased their hanger in the port of Beirut to the Mandatory authority, free of charge, and the Mandatory authority paid the cost of the company's transfer up to Tripoli.²⁰³ The administration was amenable to fronting the 220,000 franc cost of moving the company, as it would be compensated through use of the hanger and the continued easy relations with the national airline. However, this interaction highlighted two significant problems with the hydroplane operations in Beirut. The use of seaplanes centralized transportation systems in Beirut, but it did not allow for significant expansion, seeing as the planes had to negotiate space with the port authority. The seaplanes could not land outside of the protected breakwater, and while the expansion of the port would help enlarge the limited space, Air France still had to negotiate with the port authority to land their sea planes. Additionally, although Air France could expand their services and company, the age of massive concessionary companies, like the ones run by Edmund de Perithius, was over. Air France did not have the capital to build an air-terminal on their own (although it was much less expensive than a port), and as seen in their correspondence with the Mandatory government, required government support simply to move their operations to Tripoli.

²⁰² Ibid.

²⁰³ Note for Monsieur le Secrétaire Général, 23 March 1935, Mandate Syrie-Liban, Box 404, MAE-Nantes.

The question of how to develop and regulate air infrastructure was being asked all over the world during the 1920s and 1930s. As use of the airplane became regularized not only for the military purposes and transporting international post, but also for passengers, it became clear that the possibilities of commercial aviation were growing quickly and would require infrastructure to support it. However, it was also clear that “aviation companies cannot pay themselves for the establishment of their infrastructure.”²⁰⁴ Countries had to decide how they would handle this particular infrastructure development; if building terminals would be a public or private operation. For example, Germany left the creation and management of airports to limited liability companies, and the states or cities provided land and subsidies which enabled the construction of these terminals.²⁰⁵ France initially placed the development of the aeronautic infrastructure in the hands of the state, and regulated all terminal and aircraft construction through the central government. Yet this proved to be “too rigidly bureaucratic, and the narrow framework of administrative formalism” did not allow the sort of swift business development that a rapidly growing industry needed.²⁰⁶ In response, the central government loosened its hold on the industry slightly, and allowed the companies to privately develop. The state retained control on the centralized meteorological radio safety system, and also reserved the management of airfields to municipal chambers of commerce and port authorities (for hydroplane operations).²⁰⁷

²⁰⁴ *Le Temps*, 1 October 1931.

²⁰⁵ *Ibid.*

²⁰⁶ *Ibid.*

²⁰⁷ *Ibid.*

This type of control was intended to respond to the dual pressures of needing to expand private air enterprises, and design a unified system of air bases (usually referred to as “service bases”) that would unify French holdings.²⁰⁸ For countries with geographical disparate empires, the importance of developing effective air links was paramount. The easy air hops through the empire connected the administration from Paris to Indochina, in France’s case, or from London to India, in England’s case. This allowed for the swift transfer of information, post, and administrative personnel that were required to keep the far-flung reaches of empire connected.

In the case of France, the short lived Air Orient (1930-33) ran a successful route from Marseille to Saigon which took a little over a week. The seaplane line started in Marseille and arrived in Beirut two days later (with stops in Naples, Corfu, Athens and Castelrosso). Passengers disembarked from the seaplane and were taken by automobile to Damascus, where they spent the night and left the next day on the on a route which arrived in Saigon five days later (with land stops at Bushehr (Persia), Jask (Persia), Karachi (British India), Jodhpour (India), Allahabad (India), Calcutta (India), Yangon (Burma), Bangkok (Thailand)). This arduous route was nonetheless the fastest way to transport passengers from the metropol to the farthest reaches of the empire.²⁰⁹

The mixed private and governmental control of the airline economy resulted in an interesting twist on the Anglo-French empire competition. The mandatory governments were, as ever, engaged in economic competition between their states and this naturally

²⁰⁸ Ibid.

²⁰⁹ Information on travel times from Air Orient brochure Mandate Syrie-Liban, Box 404, MAE-Nantes.

extended to the realm of air travel. Furthermore, air control was a military concern much the same as naval control. For this reason, the French government watched the development of air traffic in Palestine with avid interest. The national airlines were also in competition with each other; France's Air France, Britain's Imperial Airways, Poland's LOT, and others all competed for the most air routes and the highest volume of passengers and cargo. However, these airlines which were each sponsored by their home country's government also often joined together in business deals and partnered on long routes. Because in the mandatory territories the air terminals were usually built by the governments, the business that a single company could bring in would not persuade a government to invest in an airstrip. But if a number of companies agreed together to operate out of a city, the government could be convinced to move forward with an expensive infrastructure project. For example, in 1932 a legation from the Netherlands approached the French high commissioner to discuss an agreement between Britain, France and the Netherlands to improve air infrastructure between the Levant, Iraq and Persia.²¹⁰ Such deals were often advocated for by the countries national companies and then pushed forward by administrative officials.

While collaboration between the airlines was necessary and useful, both the French and the Lebanese were also interested in controlling a larger part of the aviation market in their national companies. To this end, a number of Lebanese-based concessionary companies invested in the creation of a Franco-Lebanese national air

²¹⁰ Le President du Conseil Ministre des Affaires Etrangeres à Monsieur Helleu, Delege General du Haut Commissaire a Beyrouth, 22 August 1932, Mandate Syrie-Liban, Box 410, MAE-Nantes.

transport company that would be held as a subsidiary to Air France. Together, these companies raised a million francs in order to develop this national airline. Air France itself invested a quarter of a million francs, and four companies invested 100,000 francs: La Banque de Syrie et du Grand-Liban; la Compagnie du Port, des Quais et Entrepôts de Beyrouth; la Compagnie du Chemin de fer D.H.P.; la Régie Générale de Chemins de Fer et Travaux Publics.²¹¹ Other smaller investors picked up the rest of the bill, and through the collaboration of these different companies allowed for the creation of the Franco-Lebanese national airline called Compagnie Générale de Transport (CGT), later to be named Air Liban, a company which later merged into Middle Eastern Airlines (MEA).

When de Martel took over as High Commissioner, his changed economic policy opened the door for various infrastructure projects, and there was suddenly the possibility of developing a new air field. De Martel saw the need to develop air infrastructure, and realized that he could pay for an air terminal under the shadow of the immense construction already occurring at the port.²¹² The development of the terminal had a preliminary budget of 5 million France, as compared to the port's massive expense of FF 49 million.²¹³ Furthermore, de Martel had the French Army's commanders pressuring him to develop new airfields along the coast of the Levant that could function in a military capacity. By 1934, de Martel was able to assure the commander of the army that he had already ordered the department of Public Works to undertake several studies of a

²¹¹ L'Inspecteur Général du Contrôle des Sociétés Concessionnaires et Travaux Publics à Monsieur le Directeur de la Compagnie "Air France," 17 April 1939, Mandate Syrie-Liban, Box 390, MAE-Nantes.

²¹² Report on Aerodrome de Beyrouth, Mandate Syrie-Liban, Box 392, MAE-Nantes.

²¹³ Ibid.

permanent airfield in Beirut, and he assuaged the immediate need for a military field by allowing the creation of an emergency airfield between Sidon and Tyre.²¹⁴

Although de Martel was willing to explore other options, it is clear that he was determined to base his new airfield in Beirut. After having agreed to the creation of a new port in Beirut, he saw no reason to disperse the military and economic centers in Lebanon, much to the chagrin of cities like Tripoli. The High Commissioner's office now advocated Beirut as a center for commerce. The Levant, the High Commissioner's office claimed, was a "geographical center at the intersection of routes linking Europe with the East and the Far East" and furthermore "an important stopover for international aviation relations."²¹⁵ The High Commissioner agreed with the army that the current facilities in the Levant were inadequate to the French republic's growing need for aeronautical infrastructure. There were two air strips in the interior of Greater Syria, but facilities on the coast remained inadequate. Damascus was the main stopover on routes to the East, and it had an airfield of 1100 by 1500 meters and two asphalt runways with electric lighting. This was the field most frequently used by Air France, followed by Aleppo, which held only one runway of 780 meters. On the coast, there were only two sea-ports besides Beirut. Tripoli-El Mina had one sea-port with a water runway of 1000 meters, which was the terminus of sea-planes on any France to Indochina route. The village of Kleist also had a small landing area of 600 meters and acted as a feeder link for

²¹⁴ Le Haut-Commissaire de la République Française à Monsieur le Général Commandant Supérieur des Troupes du Levant, Mandate Syrie-Liban, Box 410, MAE-Nantes.

²¹⁵ Report on Aerodrome de Beyrouth, Mandate Syrie-Liban, Box 392, MAE-Nantes.

seaplane flights.²¹⁶ Clearly, there was no permanent airfield on the coast, and even Damascus' facilities equipped with electricity were becoming inadequate. The minor sea-ports simply did not have enough infrastructure links to the interior to make them effective aviation centers, and facilities in Beirut were inadequate.

Relying on only hydraviation meant that the Air France was confined to using small sea-planes on their routes through Beirut. The first routes from Marseille to Beirut were usually flown by the Chantiers Aéro-Maritimes de la Seine (CAMS) seaplanes, which were tiny biplanes that flew about 85 miles per hour, and could carry three or four passengers crammed in with some small cargo. Directly before the opening of the new Bir Hassan airport, Air France had begun using slightly larger seaplanes, which could carry six passengers and their baggage. Despite the interest and investment in this part of Air France's routes, the line was still a tiny operation. For example, in 1938 before the aerodrome opened, Air France ran a Tel Aviv-Haifa-Beirut route in cooperation with Palestinian Airways (a subsidiary of Imperial Airways). When Air France first inaugurated the line in September 1938, it was tri-weekly, and by November 1938 the line became a daily route, and by December a twice-daily route.²¹⁷ Air France was obviously able to easily fill the seats on their two planes with six seats (one pilot and five passengers), as the numbers they released for the routes reflect the rapid growth of their business:

November 1938 - 278 passengers (134 departed Beirut, 144 arrived)

²¹⁶ All numbers on airstrip size and location from "Report on Aerodrome of Beyrouth," Mandate Syrie-Liban, Box 392, MAE-Nantes.

²¹⁷ "Note pour Monsieur le Secrétaire Général," 4 March 1939, Mandate Syrie-Liban, Box 392, MAE-Nantes.

December 1938 – 426 passengers (218 departed Beirut, 208 arrived)

January 1938 – 477 passengers (277 departed Beirut, 250 arrived)²¹⁸

Clearly, the company was selling seats, but operations were small, and even the process of buying a new aircraft or finding a pilot who was qualified to fly the planes was a long and difficult process. Opening the new aerodrome would not solve all these issues, but ending Beirut's reliance on sea-planes would open possibilities for larger aircrafts that could hold more passengers. Air France looked forward to the possibilities of opening new, longer routes that the new aerodrome afforded.

French mandatory authorities began construction of an airport in 1936, even as the port was underway, and quickly completed the small terminal and airstrips by 1939, a much easier and cheap endeavor than the massive port expansion.²¹⁹ Choosing a spot for the airport was difficult, as Beirut's terrain did not easily lend itself to the construction of runways. After several rejected proposals, the High Commissioner made the decision to build the airport in the southern dunes of Bir Hassan. Recent port construction provided another solution; in order to get sand for the port, construction companies had removed the sand dunes at Bir Hassan and used it as filler in the port. The new airport had three runways, each over 800 meters, laid out on a bizarre axis that engineers had determined would minimize interference from the winds which swept over the dunes. The new terminal sat at the cross of the axis, a squat white building designed to look sleekly modern. Inside, the terminal and the runways were electrified, and housed offices for

²¹⁸ Ibid.

²¹⁹ Kassir, *Histoire*, 278.

customs, post, and health inspections. Although there was a restaurant in the terminal, unlike other airports, there was no sleeping space for passengers because the city and her hotels were accessible in only ten minutes by automobile.²²⁰ This aerodrome easily outstripped the other facilities in the Levant, making it the most frequented airport.

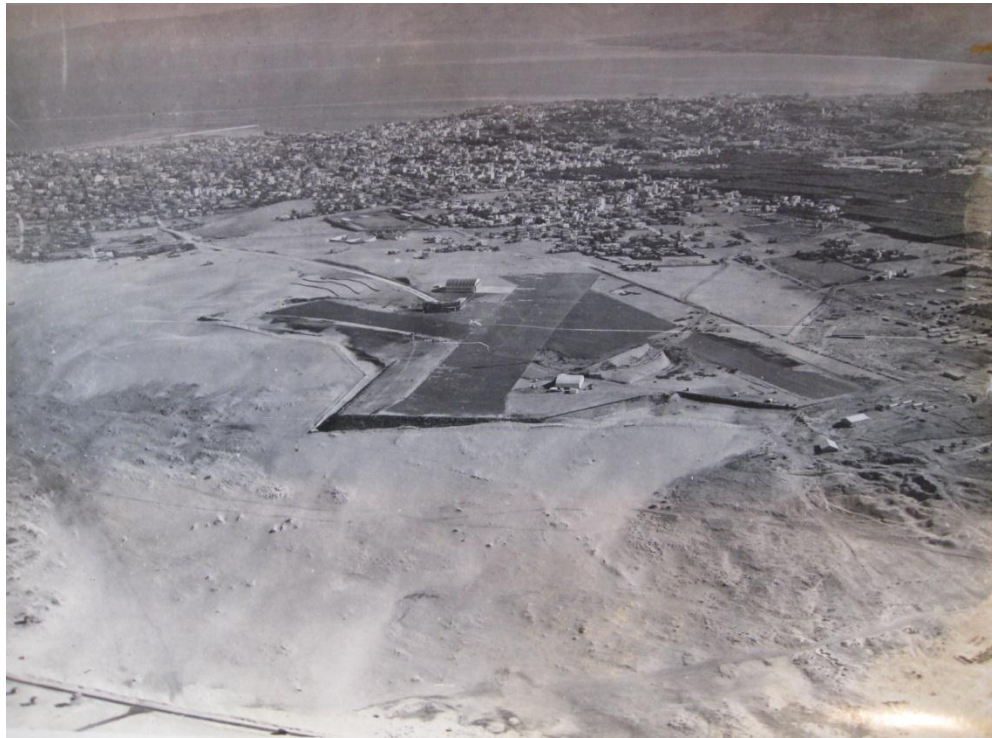


Figure 6: Photo of the construction of the runways, showing the three runway axes²²¹

The opening to Beirut's Bir Hassan aerodrome was conducted in a similar fashion as that of the port opening. Although this was not as large project as the port, the 6 June 1939 inauguration was a homage to the power of the mandate, her commitment to the

²²⁰ Information on Bir Hassan airport from Report on Aerodrome de Beyrouth, Mandate Syrie-Liban, Box 392, MAE-Nantes.

²²¹ Photo taken on 20 September 1938, from Mandate Syrie-Liban, Box 392, MAE-Nantes.

technological innovations of modernity, and to the international cooperation that air travel required. Although the ceremony fêted French accomplishments, they were also aware of the necessity of international links between the air companies that would allowed trans-national hops.²²² Therefore, although the aerodrome was funded by the French government, and the band at the inauguration played the Marsellaise at least three times, in the next day's *L'Orient*, the aerodrome was touted as "a creation of friendship" between nations.²²³ A mass of delegates from different European and Middle Eastern countries were invited to the three hour ceremony including Sir William Mitchell, an Air Marshal from the Royal Air Force, representatives from both the military and civil air force in Egypt, Iraq, Iran, Palestine and Turkey, and representatives from Poland, German and Italy. Additionally, members of the Beirut elite attended, including Habib Trad who secured for himself the position of the President of the Aero-Club of Syria and Lebanon.²²⁴ The new airport drew in traffic quickly, becoming a stop for Air France, Misr Air, Palestine Airways, Lot's Warsaw-Tehran route, and Deutshe Luft Hansa' Berlin-Tehran route. For a brief period, before tensions in Europe destabilized the airline routes, Bir Hassan was seeing over 30 daily landings and takeoffs, much more than anticipated.

²²² High Commissariat de la Republique Français en Syrie et au Liban, Cabinet Militaire, Note de Service No. 603/CM, "Inaguration de L'aéroport de Beyrouth," Mandate Syrie-Liban, Box 392, MAE-Nantes.

²²³ The content of the inauguration from: High Commissariat de la Republique Français en Syrie et au Liban, Cabinet Militaire, Note de Service No. 603/CM, "Inaguration de L'aéroport de Beyrouth," Mandate Syrie-Liban, Box 392, MAE-Nantes; information from the newspaper: *L'Orient*, 7 June 1939.

²²⁴ High Commissariat de la Republique Français en Syrie et au Liban, Cabinet Militaire, Note de Service No. 603/CM, "Inaguration de L'aéroport de Beyrouth," Mandate Syrie-Liban, Box 392, MAE-Nantes.

Unlike the French, the British did not concentrate transportation activities in any one city in the Levant. In the early 1930s, the French mandatory authorities watched Haifa's airplane traffic with interest. Haifa's port was initially was a landing for sea planes, and for some time it looked like Haifa would be where Britain concentrated its economic and transportation interests. On 10 September 1930 Imperial Airways inaugurated service between Egypt and Palestine, using Haifa as the seaplane landing.²²⁵ The seaplane service between Alexandria and Haifa took only 2.5 hours, and could carry fifteen people. To the French administration, it appeared that Haifa would be developed for future air travel on the coast of the Levant. By inaugurating this new air service to Egypt, "the British Administration registered once again their desire to develop the northern port of Palestine at the expense of Jaffa," M. d'Aumale reported.²²⁶ However, the British mandatory government of Palestine ultimately decided not to build the airport in Haifa. It is unclear if this decision was due to the problematic terrain of Haifa (that Beirut dealt with by expensively leveling the area), or if local actors from Jaffa and Jerusalem were able to sway the government. Either way, in 1936 the British government constructed Wilhelma Airport (later to become Ben Gurion Airport), with four runways near Ludd (Lydda), which lies inland between Jaffa and Jerusalem. By constructing the main Palestinian airport in Ludd instead of Haifa, Haifa was not able to continue to compete with Beirut in the 1930s and into the 1940s.

²²⁵ M. d'Aumale Consul Général de France à Jérusalem à Son Excellence Monsieur Briand, 13 September 1930, Mandate Syrie-Liban, Box 392, MAE-Nantes.

²²⁶ Ibid.

The air routes and the construction of terminals had also become a site of competition; each mandate proving that they could successfully connect their colonies to the seat of the Empire. However, in this instance, the French government needed no impetus from the press or the merchants to concentrate infrastructure and lines of trade in Beirut. Through the work and alliance between the merchants, the French commercial interests and the state, these lines were already set. Beirut had secured its place through the development of the modern port, and the French government identified Beirut as the obvious choice to concentrate aviation developments. The French mandatory powers had secured their ascendancy over the British commercial center of Haifa by centralizing transportation in Beirut which became a shipping and aviation double threat. This allowed Beirut to maintain its centrality in the lines of trade which had developed across the Levant through the mid-twentieth century.

Conclusion

It is often tempting to read history as an assured linear development, to read the struggle between the state and the city as oppressively unequal, or to read colonial control as a dominating and exploitive relationship. However, none of these stereotypes hold up to the evidence explaining the rise of Beirut. Instead, Beirut is a story of the power of capital and trade. Local merchants, European investors and the state worked to position Beirut on the lines of trade which would make it a lucrative and indispensable node of trade and transport in the Middle East, and a gateway to the Levant.

The concrete measure of Beirut's integration into the trade systems of the Levant can be gauged through their long-term infrastructure development. The first important improvement was in 1934, when Ibrahim Pasha built the lazaretto that fixed Beirut as a necessary entry-point to the Levant. Shipping routes from Marseille and Istanbul which had previously stopped at a number of ports along the Levantine coast now concentrated in Beirut to wait for quarantine. Following this, French investors negotiated with the Ottoman state and allied with local merchants to centralize overland trade in the city, first through the roadway and then with the rail lines. Count Edmund de Perthuis' concessionary companies could be read as an extractive European industry, but the merchants view the development of these elements of transportation infrastructure as a victory. The new transportation links allowed Beirut to more easily access the hinterland of Greater Syria, and also solidified important trading ties between the European investors and the local merchants. Beirutis knew that these alliances and lines of trade

would eventually make Beirut's fortune, and worked to concentrate investment and development in their city.

The city was given an opportunity to gain trade centrality in the region through the construction of a port in 1898, which put Beirut on a par with other modern ports. During the thirty year battle for the port, members of the merchant classes consistently demonstrated a clear understanding of the importance of infrastructure improvements to make their city competitive in region-wide trade. Beirut repeatedly initiated a transportation project in response to improvements in competing cities, attempting to create and then maintain Beirut's economic superiority in the region. Merchants demonstrated an ability to organize to petition and negotiate with the Sultan and to advocate their agenda in the corridors of Istanbul. When the state failed to respond to the city's need for development, the merchants restructured their tactics and used political and trade contacts to ally with French investors who could push projects forward without significant state support.

These strategies remained present in the period of the French mandate, when the merchants used tactics developed in the Ottoman period of petition, negotiation, and collaboration with the French-run companies in order to protect Beirut's growing transit economy. Although Beirut had ably positioned itself as the gateway to the Levant from 1900-1930, this position was still tenuous, and the trade lines were fragile. When their city's regional centrality was threatened in the 1930, due to the rise of Haifa, the merchants knew that the rise of a southern rival with a more modern port and the same regional trade links to the hinterland could quickly reorient the trade routes of the Levant,

cutting Beirut out. The merchants and the populace of Beirut again worked together to petition the French mandatory government to reorient their economic policy towards building up Beirut. Furthermore, the response of the French to Haifa reveals a military and economic anxiety that Great Britain would be able to control the Middle East through commercial and transportation superiority in both the port and the oil pipeline to Iraq. Through the press and petitions from the Beirut merchants and politicians, the local elite was able to convince the French Mandatory government that expanding the port was the best route to restoring the economic and strategic superiority of the Mandate of Lebanon and Syria. The ability of the merchants and the press to pressure the Lebanese government into funding the project of the port demonstrates their ability to promote local capitalist interests within the colonial state. Beirut as a whole mobilized to fight the threat of city competition from the south, and was ultimately successful in gaining rail, port and airway improvements of which secured the centrality of Beirut in the Levant.

This push for a modern port solidified Beirut's centrality in both in the region, and in French Lebanon. In the contest for the air terminal, Beirut barely has to pressure the mandatory government to construct the air terminal in Beirut as opposed to another city. The concentration of infrastructure in Beirut made her the obvious choice to center the growing aviation industry, so that line of air travel could be added to her collection of trade routes. The construction of the 1939 air terminal signaled the definitive victory of Beirut over Haifa and the solidification of her centrality as a regional capital.

The century long struggle for Beirut's centrality reveals the development of merchants' and Beirut's understanding of their city as a gateway to the Levant, and their

progressive tactics to secure the infrastructure developments which would make it that gateway. It furthermore reveals the importance of the alliance between local businessmen and foreign capital in developing the trade networks of the Levant, and the ability of this alliance to pressure the state. After years of subverting the state and demanding that the state assist in the development of the city, Beirut finally gain the French mandatory government's full support for her economic development in the 1930s. This alliance of state, local and financial support finally gave Beirut the tools needed to secure her place as the central gateway to the Levant.

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